

# The Australian Outlook

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## The U.S.A. in the Economic World.

*J. B. Brigden.*

Much more attention is now given to the economic facts of international life than when the ill-fated Covenant of the League of Nations was devised. The economic agencies of the United Nations, and the economic activities of its members, are almost as conspicuous as are those of the Security Council and of the General Assembly itself. The importance of economic foundations is realized, and it is in this field that American leadership and action have been most prominent. Can it be that the U.S.A. has really changed her traditional and fundamental outlook on the world, and can be relied upon in future to follow her own present leadership? Probably the answer is Yes and No. Some degree of change in outlook will remain, but economic policies consistent with her present world leadership have yet to be worked out.

The transition from war to peace is a long one. In the Bretton Woods financial agreements and the Anglo-American agreement the period was expected to be about five years. But none of the participants in those agreements thought themselves able to measure the future so closely. The Western world may now be about half way through the transition. Much of its economic experience is masked by the boom which flourishes everywhere, distorted though it is by political conflicts and all the menacing episodes of ideological warfare. Inevitable nationalistic and group improvisations cut across the processes of long-term adjustment and embarrass their evolution. It is hard to distinguish one from another. The encouraging features are the tough fibre of Europe and the continuing generosity and patience of America.

Amid all the speed and confusion of events, it has seemed possible to declare that some degree of change in the traditional outlook of the U.S.A. will remain. In the political field this much is certain. For even if a violent reaction were to take place in American thinking, attributable to the disappointing behaviour of Europeans, there could never again be the same complete relapse into contented isolationism as followed World War I. Even the Middle

West is now vulnerable to the horrors of war. It must be admitted, however, that the change in outlook is wholly political. It is a blend of benevolence, of fear, and of pride in leadership. It is too soon to have penetrated deeply into economic roots. In this brief survey of prospects it will be necessary to look at those American roots, to ask, in what sort of a world would the U.S.A. need to develop her new international economic policies, and to estimate the forces which may influence her in that direction.

There is no doubt among internationally-minded Americans as to what the general trend of those policies should be, nor in the minds of others with similar objectives throughout the western world. America must trade with the world, must lend to the world, and in general terms for the remainder of the twentieth century at least, must take over the historic role played by Great Britain in the nineteenth century. And the first essential change is that she must allow more freedom to other countries to earn her dollars in normal trade. Simple though this may sound, it requires a greater revolution in thought and practice than has ever been achieved in any country during the life of one generation.

### **American Thought.**

Had it been possible for the U.S.A. to have developed as peacefully towards her new international status as she did internally during the nineteenth century, she would certainly have acquired the leadership which has now so rudely been thrust upon her. She would probably, but not easily, have adapted her economic structure also. She would not suddenly have been converted from a debtor to a creditor country, nor suddenly have stopped the flow of immigration from Europe, as happened after World War I. She would not have suffered the psychological and economic experiences of the two world wars and of the Great Depression in between them. Neither of course would the world be in such a mess as it is. But the point is of major importance with reference to the U.S.A. The speed and the distortions of events have created the problem under discussion.

There is perhaps some advantage in having an Australian background for looking at the American problem. We are a self-centred people and almost as remote from the world's affairs as is the powerful Middle West of the U.S.A. Because we are British we can never be quite so remote, and because we sell so much of our produce to the world. We have to. The Middle West does not have to. Americans generally, since their industries grew up, have not had to. They are naturally a self-centred people, as the British

and other European peoples never could be. This fact is one of the roots of their economic policy. Another is the customary attitude to foreign competition in the domestic market. America has flourished under a system of internal free trade and tariff protection against the outside world. Australia has done the same. Both countries increased their tariffs as a means of defending themselves against economic depression. The merits of these policies are not here in question. The point is that both peoples would find the greatest difficulty in reversing their customary ways of thought on these matters, either for the sake of world or in their own estimated long-term interests. The point need not be laboured in an Australian journal. Would Australians be willing to sacrifice some of their protected production, equivalent to wool in the U.S.A., on such a plea? Consider how sensitive we are about our system of British Commonwealth reciprocal "preferences", in tariff and similar arrangements affecting the course of trade. They may be as obsolete as the American tariff appear to us to be. But our minds move slowly and unwillingly on such matters. Our economic thinking is as deep rooted in the nineteenth century as is that of any American.

It may seem strange to suggest that Americans have been slow to adapt their thinking and their practical action. They had reached the peak of economic isolationism in 1933, during their first drastic actions against the Depression. In the following year Congress passed the Trade Agreements Act, and put its tariff policy into reverse gear. From then until the Havana Agreement of 1947, that policy has been sustained. At present there is more hesitation than heretofore. The Republicans, who expect to win this year's Presidential election, have deferred long-term Congressional action on several important international projects. But that does not imply hostility to them. A more significant fact is that their party Convention meeting in June in Philadelphia—the very citadel of high tariff policy—passed over the tariff issue and dealt very lightly with international economic policy.

I think, however, that we should be hard-headed in judging the significance of this trend for the post-boom world. In the first place, the boom is so strong, and foreign competition at present so weak, that there is no urgency at all about protecting American industry and employment. Moreover the questions at issue are associated with American leadership in fighting the post-war menace in Europe, a menace of hunger, revolution, totalitarianism, and the dreaded strength of that rival colossus, the U.S.S.R. For seven years, from Lend Lease to E.R.P., the Americans have been

pouring out aid on a vast scale, helped by a succession of record grain harvests, and this policy of benevolence and co-operation is enough for the time being.

As occasion permitted in America, I talked about future economic policy with various groups of people, including bankers, farmers, manufacturers, and even wool-growers in the West. The Australian story appeals to them. They like us, and their servicemen who discovered our people brought home good reports. (Columbus discovered America in 1492: "Columbia" discovered Australia in 1943.) One could say that Australians liked American goods, but that we were not permitted to earn enough dollars to pay for them: that we didn't mind digging up gold for them to bury again in Fort Knox, but would prefer to sell some continuing crop: that we hadn't enough anyhow: that we would not borrow to pay for automobiles, tobacco and Hollywood films; and what could anybody do about it? In Alabama, having talked about our fine wools, I was reported under a heading "Australian promises scratchless unmentionables!" In the Eastern States there is certainly a new awareness of the problem. The tobacco growers know that dollars must be earned before foreigners can buy their crops. The people generally are puzzled, but they have too many other things on their minds. Always there is the consciousness of the conflict between general and particular interests, with the latter much more powerful in the legislative lobbies.

One other aspect of American thought on this subject needs to be noted. The techniques of American leadership in the economic field have always been evolved by a few appointed experts, rather too academic and detached from practical affairs for the negotiators of other countries, but their drafts have always had to be accepted as the bases. And their objectives have always harked back to the nineteenth century. No classical economists were more devoted to the simple gospel of freedom (always excepting the tariff), than were these American evangelists. The object was always the restoration of "multi-lateral" trade and free convertibility of national currencies as its means of exchange. The fact that those hopes were quite inconsistent with American practice (to say nothing of the world) was of no importance to them. They hoped to convert both the world and America. The Agreements that emerged are full of exceptions and "escape clauses", and in any event their future must depend on the spirit in which they are operated. The point is that, while American thinking is very practical and realistic in terms of any interpretation of policy, they are apt to be unrealistic in general terms. They adore plati-

tudes, such as have been enshrined in their public documents from the Declaration of Independence and the Bill of Rights in the Constitution. Foreigners must remember that interpretations of such terms depend on the vagaries and emotions of public opinion from day to day. Let us rejoice that the American position on their future international economic policy is liquid. Is ours?

### The New Economic World.

The world has enough experience to avoid another great war and another great depression. "Knowledge comes but wisdom lingers". One of the commonplaces of our time is that the physical scientists have made the world too dangerous. The social scientists are not immune from the same criticism, so far as such criticism is valid at all. The economists have devised ways of managing the economic organism provided it behaves in a fairly rational manner. But the organism has become a monstrosity. Its veins inflate and deflate with every human mood and every nervous impulse. Even in healthy moods only the popular part of a balanced prescription is accepted, the harder part is rejected. Boom conditions, like good seasons on a farm, are thought to be deserved and natural and ought to be continuous. And when they are not, someone else is blamed. Usually it is some 'system' or some foreigner. In 1929, in America, the blame was put on European loan defaults. Lending stopped and slump began. All this could happen again.

The idealists of the world are nostalgic about the old freedoms. But at least one thing is certain about the future. We shall not return to the economic simplicities of the nineteenth century. We may suppress the atom bomb and certain analogous explosives in the economic system, but we shall not return to bows and arrows, nor to horses and buggies, nor to the more primitive trade barriers. The improvisations of two great wars and one great depression have taught our politicians too many tricks. Quotas, discriminating tax rates, multiple exchange rates and twin-price systems have become popular in domestic policies. Albeit they are used as defensive weapons in international relations, they are weapons nevertheless. In general, and in time, these things become self-defeating (as in the depression), but the fact remains that they give temporary advantages and are easier to take than sound advice.

Nevertheless the kind of new economic world which may emerge for the second half of the twentieth century will be a very complicated one. Competition in international markets is likely to be much more intense than ever before, both in the products of agriculture and of manufacture. Australia is discovering that

already. Much of this new competition will be the result of domestic controls. Two-price or twin-price systems are very familiar to us in Australia, through farm products such as sugar, butter and processed fruits. For manufactured products the practice of selling exports for less than at home is called "dumping", yet under modern methods of mass production the exported proportion actually costs less per unit than the home-based proportion. This tendency has been increased by war time techniques. In the nineteenth century such "dumping", and the "manipulation" of currency exchange ratios, were considered rather immoral. They cannot be so rated today. Nor can the use of taxation, of domestic credit management, and of other public intervention in the economic field, be considered wrong *per se*. The time is passing when domestic monopolies and international cartels will be considered anti-social, irrespective of their circumstances. The merits of all such practices change with the changes in physical technique, and social opinions change too.

The new economic world will be clamorous with the aspiration of the less advanced industrial countries for larger shares in the world's output of factory and finished products. The needs of defence will be cited, while the more advanced countries, using a similar argument, will want to produce more of their own food. While the menace of war lasts, the scope of international trade, and its benefits, must be restricted. But let us probe no further at the moment.

#### **American Response.**

It is recognised universally that the first requisite for success is the maintenance of prosperity in the U.S.A. herself. Communists believe that it cannot be done, and that fact adds an incentive to do it. It may be that Capitalism in the U.S.A. will face its greatest social test in the ordeal of transition from the post war boom. In time the abnormal domestic demand for re-equipment of capital and durable goods will become satiated, and even the foreign demand in terms of purchasing power. American incomes from such production will decline. The decline might frighten enterprise generally, as was customary under old conditions. American business and American consumers, however, are not at all likely to remain as helpless as they were in 1932. Some kind of a "New Deal" may be expected under another name. Whether it will be "too little and too late" remains to be seen. There will be conflict, but there is no reason to assume another dismal failure.

For several years now the problem has been well in the minds

of thinking Americans, and their first reaction was naturally to look towards a large expansion of pre-war exports. It seemed that foreign markets would for years be hungry for equipment and durable goods, and for just those things that reconverted duction to peace production of domestic arrears might move American war plants could supply. A transition from war pro-smoothly into the same work for other countries. Unfortunately the more desperate needs of other countries have had to be supplied simultaneously with those of the domestic market. The local boom has been intensified, with grave inflationary effects. These effects are among the costs of American generosity, and they make a kind of vicious circle.

The maintenance of American industrial exports cannot, of course, be fed continuously by dollar grants and rehabilitation loans from the American Treasury and its guarantees. The present practice may indeed persist on lower levels for some years, provided that American opinion suffers no reaction from world behaviour. Foreign conduct can easily appear in the nature of ingratitude or of intransigence. It is bound to be disappointing, and destructive of that "psychic income" which is the chief reward of all benevolence. The typical American is always fearful of being "taken for a sucker" by some slick foreigner. These risks will remain. On the other hand there are pressures to export surpluses at Uncle Sam's expense. In America it is politically easier to give goods away than to accept other goods in payment for them by reducing import barriers. The costs of gifts are monetary ones and are generalised. The costs of competing imports are different. They are feared in particular businesses, employments, and electorates.

It is now about 20 years since U.S.A. investors stopped making commercial loans to foreign countries. Those loans left behind them a very bad reputation, and neither personal nor institutional investors have yet recovered from their effects. The bad practices of investment dealers in the boom of the 'twenties led to the establishment of Federal controls and these are likely to remain, but confidence in foreign markets is still lacking. The fact is not surprising. How can there be solvent loans when dollars are so scarce for their servicing? It would seem that a large increase in American imports must begin before American investors can prudently lend their dollars abroad. Tariff reduction is, rationally, the next step to follow American government loans and grants. Action is urgent before any slump is really threatened in American production and income, and fears of imports as a menace to that income begin to take substantial shape. The new Congress of 1949 will need to make decisions on the subject.

The new International Bank for Reconstruction and Development holds its third annual meeting this month in Washington. It is hoped that this institution, together with its Bretton Woods twin, the International Monetary Fund, will at least bridge the gap between the decline of London as the world's financial centre and the rise of its successor in America. The Americans have yet to learn the necessary technique. So far, the Bank has been disappointing. Its guarantee for dollar loans was relied upon, but the Bank has been able to raise no more than \$250 millions on the New York market under that guarantee. Response is slow, but the Bank may play a leading part in the transition period yet to come.

What are the driving forces which, in America itself, may be expected to promote a revolution in foreign trade policy? What are the kinds of imports least likely to inflame domestic opposition? For the second question there is a possible revival of "invisibles", i.e. dollar-earning services, such as shipping, insurance, and the like, and tourist travel by Americans on a much larger scale. In commodities there is the class of luxury goods produced by cheap skilled labour in Europe and Asia which does not compete directly with factory products. And for mass earnings there are raw materials, including the finer merino wools from Australia, if only we could concentrate more upon them. Processed materials would earn more dollars than crude bulk, and typical negotiations will be on such aspects of the large problem. As for internal help, the export industries can be expected to play some part. They are 'geared' to outputs which will need exports, as they never have needed them in the past. But these things will not be enough in themselves. Americans must learn to pay the cost of world leadership, not only in taxes on a large scale as at present, but in tolerance and trade. They must be less severe in bargaining under their Trade Agreements Act, and less dictatorial in the control of their foreign investments. They must invest for long terms at low rates of interest and inspire the confidence that Britain earned over her long period of ascendancy. We, too, must be tolerant. The American press delights to bark and bite, and Congress has no international manners. But we in Australia have no stones to throw. We, too, have adjustments to make in our economic structure, based as it has been on the economic leadership of Britain and of the Pound Sterling. We could with advantage be paying more attention to the post-boom transition as it concerns ourselves.

# The Economic Commission for Asia and the Far East.

*E. E. Ward.*

In December, 1946, the General Assembly of the United Nations adopted a resolution recommending that, "in order to give effective aid to the countries devastated by war, the Economic and Social Council, at its next session, give prompt and favourable consideration to the establishment of an Economic Commission for Asia and the Far East". The Economic and Social Council gave effect to the General Assembly's recommendation in March, 1947, and the Economic Commission for Asia and the Far East (ECAFE) was established.

The functions of the Commission, as described in the terms of reference are as follows: To,

- (a) "initiate and participate in measures for facilitating concerted action for the economic reconstruction of Asia and the Far East, for raising the level of economic activity in Asia and the Far East and for maintaining and strengthening the economic relations of these areas both among themselves and with other countries of the world;
- (b) make or sponsor such investigations and studies of economic and technological problems and developments within territories of Asia and the Far East as the Commission deems appropriate;
- (c) undertake or sponsor the collection, evaluation and dissemination of such economic, technological and statistical information as the Commission deems appropriate."

Over-riding provisos are that the Commission shall act within the framework of the policies of the United Nations and subject to the general supervision of the Council and shall take no action with respect to any country without the agreement of the government of that country.

ECAFE is not, primarily, an executive body. It may recommend practical measures to achieve its purposes to member governments or to Specialised Agencies of the United Nations, such as, for example, the Food and Agriculture Organization or the International Labour Organization, within whose field such measures may come. If, however, after consultation with the Specialised Agencies concerned, there appears to be no existing organization suitable for

carrying out the Commission's plans, the Commission may, with the approval of the Council, establish subsidiary bodies to carry out its responsibilities. So far, only one such subsidiary body—a Bureau of Flood Control—has been created and the Commission will, no doubt, continue to exercise great care in this respect to avoid the danger of creating subsidiary bodies whose functions may duplicate those of other bodies of the United Nations. Ultimately, of course, it is only the member governments themselves who can put programmes into practice and it is ECAFE's function to assist them by use of its collective resources.

For the purposes of the Commission, the territories included in Asia and the Far East are, at present, as follows: British North Borneo, Brunei and Sarawak, Burma, Ceylon, China, India, Indo-Chinese Federation, Hong Kong, Malayan Federation and Singapore, Netherlands Indies, Pakistan, Philippine Republic and Siam. The scope of the Commission may be varied, if necessary, by the Economic and Social Council.

Membership of the Commission includes, as well as countries within the area who are members of the United Nations, other countries who, though outside the territorial scope of the Commission, have a direct interest in the area because of geographical position, as in the case of Australia, U.S.S.R. and U.S.A., or because of political control over territories in the area, as in the case of the United Kingdom, France and the Netherlands. The present Members of ECAFE are as follows: Australia, Burma, China, France, India, Netherlands, New Zealand, Philippines, Pakistan, Siam, U.S.S.R., United Kingdom and U.S.A.

In order that certain non-self-governing territories within the area may take part in the deliberations of the Commission, provision is made for these territories to be admitted as Associate Members with the right to participate in meetings of the Commission, without vote, and to take part in meetings of committees or subordinate bodies of the Commission and to hold office in them. Any of these territories may be elected an Associate Member on presentation of its application to the Commission by the Member responsible for its international relations, or, if it has become responsible for its own international relations, on itself presenting its application. The latter provision enables a territory, which has just become independent, to be admitted as an Associate Member pending its election as a member of the United Nations when it would become eligible for full membership. Associate Members at present are: Cambodia, Ceylon, Hong Kong, Laos Kingdom and, jointly, Malaya and British Borneo (representing also Singapore).

Ceylon, on being elected a member of United Nations, will become a Member of ECAFE. The Commission, so far, has held three sessions. The fourth session is scheduled to be held in Australia in November of this year. Our interest in ECAFE and its work is therefore heightened by the fact that Australia will be the host government for its next session.

The establishment of such a body by the United Nations to promote the economic reconstruction and development of Asia and the Far East is a significant development in international affairs. In the past there was a tendency to overlook Asia and the Far East as an important independent factor in world affairs. This was mainly because a large part of the area was under colonial or semi-colonial status and the peoples of these countries had no determining voice in their own political or economic destinies. The region was regarded mainly as a congeries of separate countries linked politically and economically to their metropolitan powers. Since the end of the war, however, the Philippines, India, Pakistan, Ceylon and Burma have become politically independent and nationalist movements have become such a powerful factor in other parts of the area that further changes in political status, towards independence, are likely to occur. The governments of these countries are determined to use their newly gained political status to foster the development of their countries along lines which they consider necessary for the security and welfare of their own peoples. Independent action of this kind by these countries is something new and is bound to produce great changes in Asia and in relationships between Asia and the rest of the world. A common Asian interest and point of view is evolving to a degree not known before.

Before considering the work of ECAFE to date and its future prospects, it will be useful to go over some of the principal economic features of the area within the territorial scope of the Commission. The main features of the area as a whole may be summed up as follows: (i) Contains roughly half the world's population. (ii) Low standards of living. (iii) Extensive direct and indirect war damage. (iv) Large proportion of the population dependent upon agriculture. (v) Relatively little industrial development. (vi) Dependence upon a narrow range of exports. (vii) Lack of technical and administrative training. (viii) Relatively small degree of intra-regional economic relationship, international trade being mainly export of raw materials to industrialised countries outside the region in exchange for manufactured goods.

The population of the ECAFE region as a whole is, on the latest available estimates, just over one thousand millions—that is, roughly

half the total world population. This, in itself, indicates the importance of the region in human terms. Moreover, the average rate of increase throughout the region is high in comparison with the rest of the world, and the probability is that it will rise still higher with economic progress, at least in the initial stages, because of the likely reduction in the death rate as such progress takes place.

This half of the world's population, however, lives, on the average, at a much lower standard than the other half, which includes the populations of the most economically advanced areas of the world—Europe, North America and the British Dominions particularly. As the world becomes smaller in terms of communications, and education spreads, more people in Asia are becoming conscious of their relatively poor conditions of life and believe that the benefits of scientific and technical progress and advanced economic organization can, and should, be realized just as much in the East as in the West.

Large areas of Asia and the Far East suffered severe damage during the war. A heavy toll was taken of the agricultural, industrial, transport and commercial equipment and development of the region, with a consequent fall in agricultural, mining and industrial production. The loss was particularly serious because capital per head of population is meagre in Asia and the Far East, in comparison with other areas of the world, and there is little margin for loss in production, particularly in food and staple exports. To facilitate the recovery of the region from war devastation is one of the most urgent aims of ECAFE.

Excessive dependence of the population on agriculture is a distinguishing feature of the region. The proportion of the working population engaged in agriculture varies from about 60% in Malaya to nearly 90% in the Philippines. This may be compared with Australia where only about 22% of the working population is engaged in all primary production. In Asia there is great pressure of population on agricultural resources and production per head and standards of living are consequently extremely low. Agriculture is characterised by small holdings, primitive technique and intensive application of human labour.

The counterpart to a high concentration of population in agriculture is a low degree of industrial development. Industrial development of a moderately diverse character, mainly in the light industries, such as textiles, but including some heavy industry also, has taken place in India and China, but on a small scale in relation to the populations. In other parts of the region there is little industrial development and that is mainly confined to the preliminary

processing of industrial crops or metallic ores for export, such as copra production and sugar extraction in the Philippines and tin smelting in Singapore. The area as a whole may be said to be in the pre-industrial stage. Industrialisation, to provide alternative employment for the excessive numbers in agriculture, raise living standards, produce a balanced and diversified economy and to promote economic independence, is in the forefront of the plans of ECAFE countries. Asian leaders often refer with acute feeling to their present "infant" or "colonial" economies.

The prosperity of many countries in the ECAFE region depends heavily on single, or very few, raw material exports. Examples are, rubber and tin in Malaya, tea, rubber and coconut in Ceylon, sugar in the Philippines and rice in Burma, Siam and Indo-China. As far as possible, it is the aim of the ECAFE countries to diversify their exports, or reduce their dependence on them, so as to give more stability to their economies.

Another marked feature of the ECAFE countries is the lack of technical and administrative training. This rises basically, of course, from the limited economic development of these countries. It is now one of the most serious barriers to the development which they desire to undertake.

Unlike Europe, the ECAFE region does not form an integrated economic unit. The countries are mainly exporters of raw materials to highly industrialised countries outside the region, from whom they import manufactured goods. This is particularly so with South East Asia, the chief exports of which—rubber, tin, sugar, and coconut products—find their principal markets in the United States, and whose imports of manufactured goods come normally, with the exception of the Philippines, from Europe and Japan. The largest volume of intra-regional trade is between countries closely related historically and geographically, such as India and Ceylon and India and Burma. The chief trade by which the deficiencies of some countries are made up from within the region itself is in rice, which is exported from Burma, Siam and Indo-China to India, Ceylon, Malaya and China. The comparative absence of complementary economic relationships within the present ECAFE region and its dependence on outside sources for manufactured goods, particularly capital goods, affects fundamentally the work of the Commission. Whereas in Europe a good deal towards recovery can be accomplished by restoring the complementary economic links between the various countries, in the ECAFE region none of the major problems of reconstruction and development can be solved simply by encouraging co-operation within the region, a task for

which ECAFE, by its representation, is well suited, but must depend on continuous co-operation over a long period, between the region and the industrialised areas of Europe and North America and possibly also, Japan.

The following is a brief summary of the substantive activities of the Commission so far:

- (i) A Survey of Reconstruction Problems and Needs.
- (ii) Appointing of a Working Party to report on existing plans for promoting industrial development in each country of the region. (An interim report was considered at the third session.)
- (iii) Reports on Technical Training and the use of Expert Assistance by Governments, and the establishment of a Working Section within the Secretariat for continuous work on this question.
- (iv) A survey of Trade and Trade Promotion Activities within the region and the establishment of a Trade Promotion Section within the Secretariat.
- (v) Establishment of a liaison with the Food and Agriculture Organization on aspects affecting the region.
- (vi) Establishment of a Bureau of Flood Control under the Commission.
- (vii) Decision to convene a meeting of experts on inland transport from member countries.

The Survey of Reconstruction Problems and Needs was undertaken by the Commission's Secretariat as a result of a resolution passed at the first session of the Commission. It was intended to indicate the nature and magnitude of the most immediate and urgent problem before the Commission—the reconstruction of the economies of the countries in the region and the restoration of production to normal levels. The Survey showed that no rapid recovery in agriculture, mining and industrial production was likely because of the severe losses and deterioration of such basic items as work animals—supremely important in agriculture—mining and industrial machinery, and transport facilities of all kinds. None of these losses could be made up rapidly and, after the maximum contribution that could be expected had been obtained through co-operation between countries, a great deal of assistance in the way of capital goods and basic materials from outside the region would be required. The Commission is attempting to obtain an estimate of such requirements in time for the November session.

The Working Party on Industrial Development was established as a result of a resolution passed by the Commission at its second session in November, 1947. Industrialisation is probably the most important question before the Commission—particularly from a long term point of view.

The full potentialities of the region for industrial development

will not take shape until more comprehensive surveys have been made of natural resources and more is known, under actual experience, of the aptitudes of the populations for the kinds of disciplines, and the technical, managerial and entrepreneurial skills which are so important for the development and efficient operation of an industrial system, with its technical and social complexities. However, although the mineral resources of the region are apparently not as extensive as is sometimes supposed, except for the large reserves of coal in China and iron ore in India, there should be scope for the development of industries to meet domestic requirements.

The Working Party on Industrial Development was composed of representatives from China, the Philippines, India and, jointly, from Laos and Cambodia. It has so far prepared an interim report and hopes to complete its work in time for the next session in Australia. The interim report, however, underlines the fact that, apart from the settlement of political disunity, which overshadows everything else in some countries of the region, the speed with which industrial reconstruction and development can be accomplished depends on the availability of finance, capital goods, basic materials and technical personnel. These only exist, in adequate amounts, outside the region.

As regards private foreign investment, the United States Delegate told the Commission, at its last session, that investors must be offered security and the assurance of a reasonable return. He was referring to restrictions and conditions placed on foreign capital in some Asian countries. This is a vital question since the ECAFE countries are very sensitive to the possibility that the substance of their newly won political independence might be compromised by foreign economic penetration. Not unnaturally perhaps, in view of the recent emergence of some of the countries from colonial status, they are very wary of "strings" to foreign assistance and participation. This is a problem which must be solved in order to evolve a basis for fruitful economic co-operation between East and West. Such co-operation might well prove to be the necessary basis for continued economic progress throughout the world in, possibly, the not far distant future, as industrial production in the West overtakes the demands for its own rehabilitation.

For the present, the actual physical availability of capital goods is often more important than the finance to buy them. Manufacturing capacity for capital goods in the world's usual sources of supply—Europe and North America—is fully occupied and virtually the only unused capacity of any magnitude is in Japan. The

question of the economic relationship between the ECAFE countries and Japan is coming more and more into the Commission's discussions and is one of major importance. The general feeling among the ECAFE countries, from views expressed at sessions of the Commission, is that manufacturing capacity in Japan, within prescribed Allied policy limits, which could be used to produce goods urgently needed by the region, should be so used, provide Japan's military potential is not thereby re-established. Japan has the only fully diversified manufacturing capacity in Asia and the Far East and the task before the ECAFE countries is to obtain the benefit of Japan's capacity, largely in return for raw materials available in the region, and, at the same time, build up their own industrial capacity to counter Japan's predominance.

The Commission has set up Working Sections within its own Secretariat to deal with questions of Trade Promotion and Technical Training and a separate Bureau of Flood Control. The chief functions of these bodies are the collection and dissemination of information on their respective subjects and the provision of advice and technical assistance to member governments. This is in accordance with ECAFE's policy of co-ordinating the work of Specialised Agencies and national bodies working on problems of common concern to the region.

It will be evident by now that ECAFE's main function is, by discussion and investigation, to bring out clearly the principal economic problems facing the region and then by the use of its collective resources for the exchange of information and experience and the provision of technical advice and assistance, to assist the member governments or Specialised Agencies in putting agreed policies into practice. Where the problems are beyond solution by the unaided efforts of the governments themselves, it is ECAFE's function to indicate the nature and magnitude of such problems and to formulate specific plans for consideration at international levels. Taking into account the new development which ECAFE represents, the Commission has so far made encouraging progress and the fourth session in Australia towards the end of this year will do much to indicate how far the work of the Commission is likely to be translated into concrete action for the economic reconstruction and development of Asia and the Far East.

## Jawaharlal Nehru.

**N. D. Harper.**

"Long years ago we made a tryst with destiny, and now the time comes when we shall redeem our pledge, not wholly or in full measure, but very substantially. At the stroke of the midnight hour, when the world sleeps, India will wake to life and freedom. A moment comes, which comes but rarely in history, when we step out from the old to the new, when an age ends and when the soul of a nation, long suppressed, finds utterance. It is fitting that at this solemn moment, we take the pledge of dedication to the service of India,"<sup>1</sup> said Nehru at the assumption of power meeting of the Constituent Assembly at Delhi at midnight of August 14-15, 1947. It was fitting that Nehru should be the first Prime Minister of the new Dominion of India. Seven years before he had declared at his trial in 1940: "I am something more than an individual also; I, too, am a symbol at the present moment, a symbol of Indian nationalism, resolved to break away from the British Empire and achieve the independence of India."<sup>2</sup> That independence has been achieved, "not wholly," but it represented the fruit of over thirty years of political activity.

As a member of the Congress Party's Working Committee for many years and four times president, Nehru has exercised a vital part in shaping Congress policy, in preventing the development of rifts in the party, and in formulating long term policies for an independent India. A close collaborator with Gandhi ('Pandit Nehru is my legal heir. I am sure when I pass he will take up all the work I do')<sup>3</sup> he has differed from him radically on tactics and sometimes on basic policies. But on all major issues he bowed to Gandhi's judgment although he frequently induced Gandhi to adopt a more realistic view.

Nehru's liberal inheritance from his father and Mrs. Annie Besant led him from the beginning of his political career to support Indian independence. A convinced democrat, he has fought strongly

1. *Indian Information*, 1/9/47, 97.

2. Nehru: *Unity of India*, 399-400.

3. At Wardha 15/1/42, cit. Coupland, R.: *Indian Politics* 1936-42, 93.

to secure a recognition of civil liberties in India: "the right of free expression of opinion, free association and combination, a free press, and freedom of conscience and religion."<sup>4</sup> These were to be the weapons for the conduct of a campaign for independence. At first he was a supporter of the Swaraj movement, but opposed his father's attempt to co-operate with the working of the Montagu-Chelmsford plan for Indian dyarchy. Faced with the problem of superior force and lack of mass organization, he felt that Satyagraha with its policy of non-co-operation and civil disobedience was the only effective method of forcing concessions from the government. To Nehru it is "dynamic not passive; it is not non-resistance, but resistance to wrongdoing, although that resistance is peaceful." But he differed from Gandhi in regarding non-violence merely as means, not an end: it would be ineffective in changing a social system or a political order, although it was the only practicable political method.

Convinced of the failure of the dyarchy of the 1920's, and feeling that the progress towards self-government was at snail's pace, Nehru induced Congress in 1929 to pass a resolution of complete independence. The problem of Indian self-government as he saw it was not one that could be solved within the framework of the British Commonwealth of Nations. Gandhi was willing at first to support an objective of dominion status, but Nehru convinced him that absolute freedom was the only way of ending Indian subjection to British rule. The Liberal policy of Indianisation would involve merely a change of colour in the bureaucracy. "The real question before us in India is whether we are aiming at a new state or merely a new administration."<sup>5</sup> To Nehru, a new state was the vital objective, and this involved an elimination of foreign influence so that India could work out her destiny herself: there was a fundamental inconsistency between British support for democratic principles and British practice of Indian government. The only logical consequence of a profession of democratic principles is the concession of Indian independence.

One of Nehru's distinctive contributions to Congress policy has been his attempt to fuse Indian nationalism with socialism. He was attracted by Fabian socialism at Cambridge, and his study of peasant conditions at Allahabad and his experience of agrarian conditions in the United Provinces and the Deccan, convinced him that in socialism lay the only solution to the problem of Indian poverty. "The basic problems of India relate to the peasantry and

4. Nehru: *Unity of India*, 37.

5. Nehru: *Autobiography*, 422, 417.

the industrial workers and of the two, the agrarian problems are far the most important.<sup>6</sup> Indian poverty is so desperate that a mere rejuvenation of village economy by a return to handicrafts would offer no solution. Industrialisation, with the spreading of urban cultural facilities to the rural areas, is essential. This is possible only if vested capitalist interests, brown and white alike, are eliminated. The whole social system must be recast too: a stratification of the caste system implicit in Gandhi's policy towards the Untouchables would be fatal. Such a policy aroused considerable opposition alike from the Brahmins and the big industrialists who were financing the Congress Party.

Nehru has endeavoured to broaden the basis of Congress by drawing in the trade unions and agrarian masses by the adoption of a labour programme in the Karachi resolution of 1931 and the Lucknow agrarian programme of 1936. As Congress president in 1936 he made no attempt to force advanced socialist views on Congress but rather attempted to reinvigorate the party by the adoption of a dynamic social programme. Adopting the Marxian interpretation of history, he is not an orthodox nor a doctrinaire Marxist. His socialist policy arises in large measure out of the Brahmin ideal of service, from his study of modern Russia and Indian agrarian conditions, and from his appreciation of the traditional semi-socialist Indian village economy. Orthodox communism he thinks, is too violent and unsuited to Indian conditions without modifications which Indian communists are unprepared to make. He found the communist members of the League against Imperialism too dictatorial, too aggressive and too bitter in their denunciation of critics. "The Left today can destroy; it cannot build," he declared in 1939.<sup>7</sup> He has ranged himself with the moderate socialists in Congress and has opposed the communist Left wing.

His comprehensive grasp of historical processes and of Indian history led him to point out the fundamental unity of India. Seeley in his *Expansion of England* had perhaps summed up an official as well as a private view when he declared, "India is not a political name but only a geographical expression like Europe or Africa. It does not mark the territory of a nation and a language, but the territory of many nations and languages." The absence of unity and the existence of wide fissures in the body politic have been deemed adequate justification for the refusal of full political rights in the past. Nehru argued that a detailed examination of the political and social structure of India showed that many of these lines

6. Nehru: *Unity of India*, 71-2.

7. *Ibid.* 30.

of division are more imaginary than real. "The tremendous and fundamental fact of India is her essential unity throughout the ages."<sup>8</sup> Hindu culture, overlaid by but largely assimilating, Moslem culture has given to India a fundamental spiritual and cultural unity, "a unity that transcends the innumerable diversities of blood, colour, language, dress, manners and art."<sup>9</sup> There is naturally considerable diversity within this unity, a diversity that at times obscures this basic unity. The intermixture of races has been such that it is too difficult "to admit of the disentangling of distinct races each with a well marked physical type." Linguistic differences arise largely through the absence of mass education and because of geographical isolation.<sup>10</sup> Many of the 'multitude of tongues' in India are nothing more than local dialects, and Hindustani is rapidly becoming the "all India medium of communication." The role of Britain has been to create once again a political unity in India and in so doing to create "a unity of common subjection" which "gave rise to the unity of common nationalism." This conviction of the inherent unity of India has led Nehru to emphasise the vital role of the Congress party as a national party, a party combining a Hindu majority and a Moslem minority for the achievement of a national end. Some of the totalitarian features of the party organisation and of its platform perhaps arose out of this conviction that it did not constitute a national party. Its belief that it formed a kind of unofficial shadow government for India as a whole led to its insistence after the 1937 elections that, "It is to Congress as a whole that the electorate gave allegiance, and it is to Congress that it is responsible to the electorate. The Ministers and the Congress Parties in the legislatures are responsible to the Congress and only through it to the electorate."<sup>11</sup> This same view has led to the persistent refusal to consent to a division of India, to the impassioned protests throughout the negotiations from 1940 to 1946 against "the vivisection of India."

Nehru's argument was tremendously weakened by the emergence of a powerful Moslem nationalism in the early 'forties. The disunited Moslem parties closed their ranks after the shattering defeat in 1937 and Congress attempts to win over the dissident Moslem groups. A conviction, largely erroneous, that "Moslems can expect neither justice nor fair play under Congress government," enabled Jinnah to strengthen his leadership of the Moslem League. At the 1940 meeting at Lahore, he came out flatly for a separate Pakistan,

8. *Ibid*, 74.

9. V. Smith: *Oxford History of India*, x, xi.

10. Nehru: *Unity of India*, 20, 241-61.

11. *Ibid*, 82.

hitherto ridiculed as a "student's scheme," and laid down the two nations theory which he later elaborated in his conversations with Gandhi.<sup>12</sup>

Nehru had emphatically denied that the religious conflict, which gave rise to the communal issue, was a basic cause of disunity. There obviously are wide differences between the Moslem faith, inherently democratic, and the Hindu religion with its horizontal caste divisions. Religious groups had fostered a religio-national sentiment for political purposes. But underlying, and cutting across, this religious line of division is the economic and social differences between the ryot and the zemindar, the urban worker and the prince. In communal conflicts Hindu moneylenders have often been attacked by Moslem debtors, and Hindu peasants have risen against Moslem landlords. The conflicts have been deliberately fomented, he argued, by reactionary groups in India, particularly by the Indian princes. "This communal question is essentially one of the protection of vested interests, and religion has always been a useful stalking horse for this purpose. Those who have feudal privileges and vested interests fear change."<sup>13</sup> Nehru has opposed over a long period the device of the separate communal electorates as intensifying the religious divisions and as retarding the development of a nationalist outlook. Faced with the fact of mounting Moslem nationalism and a threat of war to create Pakistan, he was forced reluctantly to abandon his stand that no partition be effected. The Nehru Report of 1928 had repudiated the 'novel suggestion' that the Moslems 'should at least dominate in some parts of India;' but by urging the granting of full provincial status to the North West Frontier Province and to Sind, had implicitly recognised the possibility of a balance between Moslem majority and Hindu majority provinces. This was given explicit recognition by the acceptance of partition in 1947. Nehru has, however, continued to hope for ultimate reunion and has strongly opposed the continuance of communal violence because of its anti-nationalist implications. "So far as India is concerned we have very clearly stated . . . that we cannot think of any state which might be called a communal or religious state. We can only think of a secular, non-communal democratic state, in which every individual to whatever religion he may belong, has equal rights and opportunities."<sup>14</sup> We "will treat every Indian on an equal basis and try to secure him all the rights which he shares with others."<sup>15</sup>

12. *Foreign Affairs*, January, 1945, 320.

13. Nehru: *Toward Freedom*, 385.

14. *Indian Information*, 1/11/47, 240. Speech on Punjab situation 12/10/47.

15. *Ibid*, 15/9/47, 165.

Democracy, unity, independence, but independence as a prelude to Socialism: these epitomised Nehru's programme as President of Congress and as an opposition leader. Despite the imprisonment of his wife and sister and his own many prison terms, Nehru has never been anti-British. "I owe too much to England in my mental make-up ever to feel wholly alien to her . . . I do not feel any anger against England or the English people. I dislike British imperialism and I resent its imposition on India. I dislike the capitalist system; I dislike exceedingly, and resent the way India is being exploited by the ruling classes of Britain. But I do not hold England or the English people as a whole responsible for this. They are as much the victims of circumstances as we are." "Many of the difficulties in India arise out of the fact that the English constitute, one might say, an unassimilated caste in the Indian body politic." The Englishman rarely "makes an attempt to understand that somewhat obvious and very unmysterious person, the Easterner."<sup>16</sup> Nehru's opposition to British rule has arisen fundamentally from his conviction that a balanced society and economic system can only develop under Indian control.

With the outbreak of war, Nehru felt that the issues were perfectly clear: democracy was clearly threatened by a fascist imperialism. But to rally the Indian people to the Allied cause, it was essential to convince them that "the old order has gone and a new one really based on freedom and democracy has taken its place." This necessitated the grant of political independence to India. "We offer our co-operation for freedom and democracy, well realising the imminent peril of today. But we offer the co-operation of a free people, not of a slave people."<sup>17</sup> That was why the exclusion of India from the benefits of the Atlantic Charter aroused such opposition. While not an opportunist in the war attempting to make capital out of the international situation, he was fully appreciative of the stronger bargaining position of India, particularly after the fall of Malaya. Full responsible government with Indian control of defence and mass mobilisation along the Chinese lines to conduct a guerilla war against Japan: this was the only way in which Indian opinion could be mobilised against Japan. At no stage was he prepared to condone any form of negotiations with Japan as a means to independence. Rather distrustful of British wartime promises of fuller autonomy with a constituent assembly in the post war period, he insisted upon "freedom now" and rejected the Cripps offer. On his release in 1945, he continued to press

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6. Nehru: *Autobiography*, 418-9, 70.  
17. Singh: *Rising Star of India*, 116.

for an undivided, independent India, but faced with the fact of an intransigent Moslem nationalism was compelled to accept partition.

As Prime Minister of the new India, Nehru has attempted to implement in a moderate way his policy of socialisation of key industries and the nationalisation of the Reserve Bank and Imperial Bank of India. What, however, of India's foreign policy? Nehru had always envisaged the Indian struggle for independence and social reform against a background of world conflict. "His re-orientation of the politics of India in terms of world politics is the special contribution which he is making today."<sup>18</sup> His sure grasp of fundamental historical processes, and clear appreciation of the international background are the product of his English studies, his travels in Europe, his wide historical reading in gaol, and his socialism. In his presidential address to Congress in 1936 he pointed out the rising danger of Fascism. It was his appreciation of this conflict that led him to organise medical aid to China, to sympathise with the Spanish government. Munich confirmed him in his suspicion of the democratic powers. But with the outbreak of war, he was anxious to range India with the democratic powers in resisting German and Japanese imperialism. He looked forward after the war to a free India which would take her place with China in an "Asiatic Federation of Nations" which would replace the broken power of the white peoples in Asia. But it would be a federation based on co-operation with the rest of the great powers, not an exclusive isolationist bloc.<sup>19</sup>

Foreign policy is obviously a function of general economic policy, and until India has developed a clear cut economic policy, it will be impossible for her to do more than sketch the general principles of a foreign policy. A determination to follow an independent line and to avoid alignment with a particular power group is an obvious starting point. As the leader of the movement for political autonomy for colonial powers, India expects to regard herself as the natural leader of the continent. "India as she is situated geographically and situated economically inevitably will become the centre of Asia." Nehru told the Federation of India Chambers of Commerce.<sup>20</sup> "We stand for the freedom of Asian countries and for the elimination of imperialistic control over them."<sup>21</sup> Active support for colonial peoples at U.N. meetings and the summoning of the Asian Relations conference at New Delhi in March-

18. Singh: *Rising Star of India*, 8; *Autobiography*, 433 seq.

19. *Time*, 23/9/42.

20. *Foreign Policy Reports*, 15/6/47, 93.

21. Speech in Constituent Assembly, 4/12/47 (*Indian Information*, 1/1/48, 19).

April of 1947 "to provide a cultural and intellectual revival and social progress in Asia"<sup>22</sup> indicate that Nehru has already taken the first steps towards establishing an Asian bloc under Indian leadership. Close relations have been established with Dr. Sjahrir of Indonesia and with the Chinese government. Whether this will be followed by an attempt to develop a real inter-Asian policy and ultimately to create "the Asiatic Federation of Nations" is too early to say. There are indications that his short term policy envisages the creation of an India-Burma bloc (which may ultimately include Pakistan).

Public statements on foreign policy have been cautious in defining Anglo-Indian relations. The frequent references in the past to British imperialism have left vestigial remains: "We have talked so much about it that we cannot get out of the habit, whether it is there or not."<sup>23</sup> References to collaboration have been scant. "We look forward to a peaceful and co-operative transition and to the establishment of close and friendly relations with the British people for the mutual advantage of both countries and for the advancement of the cause of peace and freedom all over the world."<sup>24</sup> Nehru is a realist in the field of foreign affairs: his opposition to British rule has not blinded him to the economic advantages of close ties with Britain. The influence of British trade and the existence of a large sterling credit point to active collaboration in the economic field, but on Indian rather than British terms.<sup>25</sup> Friendly relations with America will be tempered with caution regarding dollar diplomacy. With Russia, admiration for socialist achievements in education, industry and science is mingled with respect for Russian military power and a determination to avoid the growth of Communist influence in the Congress party.

An important part of Nehru's policy, is "wholehearted co-operation and unreserved adherence in both spirit and letter, to the Charter governing the United Nations Organisation."<sup>26</sup>

There are some of the qualities of Thomas Jefferson in Nehru. He dwarfs his fellow Indian leaders in ability, and in grasp of the complexity of Indian and world problems. He is a blend of east and west. His keen scientific mind, his limpid English style, and his western training do not isolate him from the mass of the Indian people. "Perhaps my thoughts and approach to life are more akin to what is called Western than Eastern, but India clings to me in

22. *Australian Outlook*, June, 1947, 3.

23. *Indian Information*, 1/1/48, 20.

24. *Round Table*, June, 1947, 263.

25. cf. *Indian Affairs*, 2/1/47, p. 2 and 30/1/47, 3.

26. *Indian Information*, 15/10/46, 216; *Ibid*, 1/1/48, 19-20.

innumerable ways; behind me lie, somewhere in the subconscious, racial memories of a hundred, or whatever the number may be, generations of Brahmins. I cannot get rid of either that past inheritance or my recent acquisition."<sup>27</sup> He has a keenly critical and analytical approach to Indian politics and Indian problems. He is strong in his condemnation of the errors of Congress politicians and the inevitable pettiness displayed in jockeying for position at congress meetings. "He has fought against 'the muddled humanitarians' and opportunists among the Hindu intellectuals and middle class bourgeoisie" which form a large part of the Congress party.<sup>28</sup>

Nehru has had widespread mass support since his presidency of Congress in 1929. The outstanding success of that year has never affected his judgment of men or events. His capacity for self criticism and his intellectual integrity have kept him in close touch with political realities. In 1939 he contributed an anonymous article to the *Modern Review* of Calcutta pointing to the dangers of his own increasing prestige and influence. "But a little twist and he might turn into a dictator . . . He cannot become a fascist . . . yet he has all the makings of a dictator in him — vast popularity, a strong will, energy, pride . . . and with all his love of the crowd, an intolerance of others and a certain contempt for the weak and inefficient . . . His overwhelming desire to get things done, to sweep away what he dislikes and build anew, will hardly brook for long the slow processes of democracy."<sup>29</sup> An idealist, he is however a practical politician, but not a machine politician like Patel; he lacks the latter's iron control over the Congress party. The necessity for vigorous exposition at public meetings has led at times to a forceful unqualified statement of policy; in his "Autobiography" on the other hand he is given to consistent understatement and emotional restraint. A Liberal Socialist ("it is a vital creed which I hold with all my head and heart"), he is not a member of the Congress Socialist party. He has exercised a moderating influence on Left wing elements and stands closer to the centre than Subhas Bose. He has sought consistently to induce Congress to adopt a constructive and economic policy that would win unqualified support from the masses whom he represents in a more practical way than Gandhi. The future rests with this "Indian who became a westerniser, the aristocrat who became a socialist, the individualist who became a great mass leader", a man whose rich career is woven into the history of modern India.

27. Singh, op. cit. 127.

28. *Time*, 23/8/42.

29. Nehru: *Toward Freedom*, 437.

## International Civil Aviation.<sup>1</sup>

**C. P. Haddon Cave and D. M. Hocking.**

Prior to the second world war the international regulation of civil aviation was concerned mainly with technical matters such as minimum safety requirements, rules of the air, air worthiness, radio and meteorological procedures, and the licensing of personnel and aircraft. Moreover, there was no single international convention which commanded universal support. By 1938 the International Air Navigation Convention (the Paris Convention of 1919) had been ratified by thirty-nine states, excluding the United States, the U.S.S.R., and China.<sup>2</sup> In addition to providing for a high degree of uniformity in technical matters, the Convention embodied the doctrine of the national sovereignty of the air.<sup>3</sup> Each party to the Convention, however, granted to private aircraft of other member states, (a) the right of innocent passage, with the exception of prohibited areas; and (b) freedom of access to its aerodromes. The operation of regular commercial air services was, in practice, subject to the consent of the States over whose territory the services passed.

The U.S.A. in conjunction with eight Central American republics and Chile, ratified the Havana Convention, 1928, which, though broadly comparable in scope with the Paris Convention differed in certain important respects. In particular, its application was limited to the American continent and it made no provision for international uniformity in technical matters. Nor was there established any international organisation corresponding to the International Commission for Air Navigation (C.I.N.A.) although certain co-ordinating duties were entrusted to the Pan-American Union.<sup>4</sup>

1. The authors of this paper are engaged on an overall study into the economic significance of air transport for Australia, under a grant from the Institute of Pacific Relations. It is hoped to publish the study before the end of this year.

2. Four of these states had subsequently withdrawn, namely, Bolivia, Chile, Iran, Panama, whilst two others, namely Austria and Czechoslovakia had been absorbed by Germany (a non-member).

3. The sovereignty of the States over the air above their territories.

4. An Inter-American Technical Aviation Conference held at Lima in September, 1937, decided to create a Permanent American Aeronautical Commission, to come into existence when national commissions in at least seven of the contracting states had been formed. A national commission was formed in the U.S. only, and therefore the C.A.P.A. has never functioned. For an excellent survey of the pre-war machinery of regulation and development see the R.I.I.A. study *International Air Transport*, by Sir Osborne Mance, Oxford University Press, 1943.

Neither of these conventions made provision for international regulation in the economic, as opposed to the technical field. As a result the development of international air transport was conditioned by political rather than economic considerations. The major shortcomings of the pre-war situation were threefold, viz;—  
(a) Any country on an international air route could hold operators of other countries to ransom even if those operators only wished to fly over or refuel in its territory. (b) The bargaining for transit and commercial rights introduced extraneous considerations and led to international suspicion. (c) There was no means of controlling the extensive subsidisation of airlines, which were often maintained for reasons of prestige and defence.

### I. Chicago Conference on International Civil Aviation.

Towards the end of the war it became evident that these Conventions should be superseded. There was some readiness to concede that commercial air rights as well as technical and navigational regulations should be governed by international agreement and informal views were exchanged and in some cases published.<sup>5</sup> Explanatory talks were held between the U.S.A. and the U.K.; and eventually the Chicago Conference of November, 1944, was held at the invitation of the United States, and attended by 54 states, the U.S.S.R. abstaining.

The following is a brief review of the areas of agreement reached at Chicago, viz:—

#### (a) International Air Services Transit Agreement.<sup>6</sup>

This agreement initially signed by thirty-three states, including members of the British Commonwealth, gives for the accepting states a free and unlimited right of passage for the planes of each state through the air space of every other, and gives their aircraft a general right to interrupt their passage for refueling or mechanical attention.

#### (b) International Civil Aviation Organisation.

The organisation is of much wider scope than either of its pre-

5. Cf *International Air Transport*, Cmd. 6561, October 1944; Edward Warner, Chairman of the U.S. Civil Aeronautics Board, "Airways for Peace," *Foreign Affairs*, Vol. 22, No. 1, October 1943; Australian-New Zealand Agreement, January 1944, paras. 17-23; Canadian Proposals as published by the Canadian Government, October 1944.

6. Colloquially known as the "two freedoms" agreement. The third, fourth and fifth freedoms are commercial privileges—to put down passengers, mail and cargo taken on in the territory of the state whose nationality the aircraft possesses, to take on passengers, mail and cargo destined for the territory of the state whose nationality the aircraft possesses, and to take on passengers, mail and cargo destined for the territory of any other state and the privilege to put down passengers, mail and cargo coming from any such territory. Internal traffic is, of course, by tacit agreement reserved automatically to the domestic operators (right of cabotage).

decessors. Whereas the C.I.N.A. met only biennially and was concerned only with technical problems, its modern counterpart is a Standing Council interested in all aspects of civil aviation. The provisional organisation (P.I.C.A.O.) was set up as soon as twenty-six states had accepted the Interim Agreement; the permanent organisation (I.C.A.O.) superseded P.I.C.A.O. on April 4, 1947, the necessary minimum of twenty-six states having, by that date, ratified the permanent Convention, which has the form of a treaty. The primary functions of the Interim Council, comprising twenty-one of the forty-two member states forming the Interim Assembly which meets annually, were to study and distribute information on international traffic problems<sup>7</sup> and to develop rules of the air, regulations for equipment and personnel and operating practices on air routes. The member states agreed to provide the Council with copies of all agreements relating to routes and services and to require their international airlines to submit detailed traffic reports and financial statements.<sup>8</sup>

The Council, as the working body of the organisation convenes meetings of the Committee on Air Transport and the Air Navigation Commission. The former analyses material on traffic, costs of operation and subsidies and reports thereon. It is also studying the proposals put forward at Chicago, by Australia and New Zealand, for the international ownership and operation of trunk air routes.<sup>9</sup> The latter studies technical questions, recommends minimum requirements and standard procedures and continues the preparation of documents embodying such requirements and practices. The Council of P.I.C.A.O. early prepared for regional air navigation conferences and regional organization. Ten regional areas, including South-East Asia and the South Pacific, centred at Melbourne are now constituted.

### (c) International Air Transport Agreement.

This so-called "five-freedoms" agreement, originally ratified by nineteen states without reservation, including the United States, Sweden and China, was drawn up within the two broad limits of the right of cabotage on the one hand, and the specification that an airline must start in its own territory and proceed to its most distant terminus with reasonable directness. As will be noted below in Section II the United States as a result of the agreement with

7. E.g., routes established and planned, costs of operation, subsidies, fare and freight rates, airport facilities.

8. For the Final Act of the Chicago Conference together with the four appendices see Document 2187, P.I.C.A.O.

9. See Section III below.

Great Britain signed on February 11, 1946, at Bermuda withdrew from the International Air Transport Agreement in 1947.

In effect, therefore, a multilateral transport agreement was not achieved. It was somewhat premature to have expected it at Chicago insofar as the principles held and practices followed by the United States differed markedly from the major European countries, particularly Great Britain. European civil aviation was actively fostered by governments primarily for reasons of security and prestige; direct subsidies were granted and there emerged the policy of the "chosen instrument" and air monopoly owned or controlled by the State. This system naturally conflicts with American experience. Whereas in Europe freedom of trade and movement was restricted, in the United States the complete freedom of exchange of goods, the vastness of the area to be served and the mobility of the population made for development on a more economic and competitive basis. The United States did not wish to participate in an international system which might be conditioned by the European practices.<sup>10</sup>

On the other hand, the American internal air transport system operates under strict regulation. The U.S. Civil Aeronautics Board has allocated a specific, though not necessarily exclusive, area of operations to about sixteen major companies which operate services which must satisfy the Board's criteria of "public convenience and necessity." In contrast to the British system of a directed monopoly the American system is one of regulated competition.<sup>11</sup>

Two other differences in the attitudes of the U.S. and U.K. Governments are worth noting. First, in the United States no licences are granted to railway or steamship companies to guard against the restrictive practices of a transport monopoly anxious to preserve its existing capital assets. In Great Britain, on the other hand, railway and shipping companies have been officially encouraged to establish air services on such routes as would not require a subsidy and were therefore not required for the chosen instrument. Secondly, there was a noticeable difference between British and American ideas as to what constituted a subsidy. In Great Britain direct payments were made openly. In the United States subsidies took the more concealed form of contracts for the conveyance of mails, the favourite method being that of payment for the reserva-

10. In Europe in 1935, 208 airlines flew a total of 19 million air miles, whilst in the U.S.A. 32 airlines flew 50 million air miles. Moreover, European powers with overseas possessions were compelled to develop long distance services, although traffic available on these was very limited.

11. Cf. the discussion of American and European Civil aviation development by Harold Stannard, "Civil Aviation: An Historical Survey," *International Affairs*, Vol. XXI, No. 4, October, 1945.

tion of a certain space whether the mail despatched actually occupied it or not.

In one important respect American and European practices conformed. All external American services were (and still are) operated by one company, Pan-American Airlines,<sup>12</sup> which derived more than half its total revenue from subsidies in the form of mail contracts. So, despite acceptance by the United States of the Air Transport Agreement at Chicago, the record of the Civil Aeronautics Board, which obviously suggested the possibility of an international application of the Board's internal regulatory methods, and the *de facto* chosen instrument policy in favour of Pan-American Airways, left the door open for further negotiations.<sup>13</sup>

The United Kingdom had proposed at Chicago that the fifth freedom should be the subject of bilateral negotiations between countries concerned and that freedoms one to four only should be granted on a multilateral basis. Moreover, the granting of these four freedoms should be made conditional upon certain safeguards to ensure "order in the air" and to avoid "uneconomic depression." The safeguards suggested were determination of frequencies, and their equitable distribution among the countries concerned with the fixing of reasonable rates. The United States contended that it was unwise to control the development of civil aviation in this its early stage of development, and that there should be a general grant of all five freedoms.

After a resolution similar to that embodied in the Canberra Agreement, urging the establishment of an international authority for ownership and control of international air services, had failed to secure general acceptance, the Australian delegation favoured the establishment of an international organization with executive and regulatory powers, together with measures to protect Australia's interests in the operation of Pacific air routes.

At one stage it appeared that agreement could be reached on the question of rates and the functions of an appropriate international authority. In respect of frequencies the United States was prepared to share the traffic, equally in the first instance, on any of its routes with the other member states concerned. Subsequently, the airline of a state would be permitted to increase frequency or capacity when traffic grew by a certain percentage. It was on the question of *scope* of this so-called "escalator" clause that negotiations for a general multilateral transport agreement broke down.

12. In fact, P.A.A. was a chosen instrument.

13. See Section III. below. For a defence of the U.S. Delegation's attitude at the Chicago Conference regarding the feasibility of a world air regulatory board analogous to the U.S. Civil Aeronautics Board see Edward Warner, "The Chicago Air Conference", *Foreign Affairs*, Vol. 23, No. 3, April, 1945.

## II. The Bermuda Agreement.<sup>14</sup>

The agreement signed on 11th February, 1946, between the United States and Great Britain<sup>15</sup> indicates a major shift in United States policy for the operation and development of international air transport.<sup>16</sup> Throughout the Agreement the "principle of review" is substituted for the predetermination of the operation of services. This meets the United Kingdom concern for regulation and also the U.S. view that a new and expanding activity should not be subject to prior regulation. The general effect of the plan is as follows. Each nation grants to the airlines of the other nation transit privileges (freedoms one and two) to operate through the airspace of the other and to land for non-traffic purposes on routes anywhere in the world subject to the provisions of the Chicago International Air Transit Agreement, including the right of the nation flown over to designate the transit route to be followed and the airports to be used. Each nation also grants to the other commercial privileges of entry and departure in order to discharge and pick up traffic (freedoms, three, four and five). However, in contrast to the transit privileges, these commercial privileges are valid only at airports named in the agreement and on routes generally indicated. Rates are determined jointly by the two Governments, and are to be fixed at reasonable levels, due regard being paid to such relevant factors as cost of operation, reasonable profits and rates charged by other airlines; whilst frequencies and capacities are determined by the designated airlines, although the services provided must be related to traffic demands and conducted according to the agreed principles affecting frequency and capacity. In respect of disputes not settled by consultation, each nation has the right to insist on advisory opinion from the International Civil Aviation Organisation.<sup>17</sup>

## III. Draft Multilateral Agreement on Commercial Rights.

The Assembly of P.I.C.A.O. considered in May-June, 1946, a

14. See John C. Cooper, "The Bermuda Plan: World Pattern for Air Transport," *Foreign Affairs*, Vol. 25, No. 1, October, 1946, for an excellent discussion as to whether the Bermuda plan is suitable for incorporation in a multilateral convention.

15. Similar agreements were subsequently signed with France and Belgium. Between the Chicago Conference and the meeting at Bermuda, the United States concluded bilateral agreements with Ireland, Sweden, Norway and Denmark, each providing for reciprocal transatlantic services with no limitation on rates, frequency or capacity. In addition, of course, Sweden, the Netherlands and the United States had signed the International Air Transport Agreement under which the commercial rights were available on "direct" routes; no provision was made for the regulation of rates, and only a very vague provision was made for possible limitation of frequency or capacity.

16. Moreover, the State Department announced on 25th July, 1946, that the United States would withdraw from International Air Transport Agreement in 12 months' time.

17. But nothing in the agreement provides for the enforcement of a decision.

draft multilateral agreement on commercial rights in international air transport. The granting of the five freedoms by signatory states on a multilateral basis was recommended provided certain general principles are observed by operators which were designed to ensure the orderly development of both regional and trunk line services.<sup>18</sup> But whereas the Bermuda Agreement rests on rate control machinery, the draft multilateral agreement allowed operators freedom to determine rates provided they are reasonable. However, member states were to receive some limited measure of direct economic protection because of the right accorded them to impose a "rate differential" of as much as 10 per cent. of the fare on the local services. Provision was made for an expert International Civil Air Transport Board to adjudicate on disputes arising out of the agreement's general principles.<sup>19</sup>

Although the Interim Assembly resolved that multilateralism in regard to commercial rights was the only solution compatible with the character of the Organization, it was not considered practicable to complete an agreement at that stage, and the question was, therefore, referred back to the Committee on Air Transport for further study and report to the 1947 assembly. With opposition to the device of protection by means of fares, and opposition by many states to the surrender of any sovereignty to an international board, it seemed necessary to have very clearly stated provisions on the extent to which through airline operators could carry traffic between other countries or permit their airlines to fly as tramp operators. The Committee proposed the recognition of a general right of any signatory state to operate a service to any point in any other state provided there was, and continued to be, sufficient traffic to and from the home country to ensure reasonable loadings. The right of pick up was to be unlimited in respect of those aircraft which qualified for flight under the requirement of homeward bound traffic.

Insofar as the Bermuda Agreement formed the pattern of many other bilateral agreements by the U.S.A. and, to a lesser extent, by the U.K., and no irreconcilable difficulty appeared to have arisen in respect of route exchanges, there was much support for a partial multilateral agreement incorporating clauses on disputes, capacity and so on, whilst requiring separate arrangements between pairs of states on the exchange of routes. The Canadian delegation pressed strongly for the principle of full and complete multilater-

18. Cf. the provisions of the Bermuda Agreement.

19. Such as alleged inadequacies of the allowable maximum differential, undue hardships resulting from the imposition of a differential, employment of excessive capacity, unfair competitive practices and unfair subsidies.

alism on the ground that it is fallacious to think of achieving multilateralism by a Bermuda type agreement, for all matters except the exchange of routes, leaving these to be separately arranged. Whilst all the bilateral agreements may appear to be superficially similar, they may in fact be quite different in their implications.<sup>20</sup>

The problem was finally referred to a special Commission on Multilateral Agreement on Commercial Rights in International Civil Air Transport, known as the November Commission<sup>21</sup>, to which Australia sent a delegation. The Commission submitted a draft multilateral agreement<sup>22</sup> to the 1948 Session of the I.C.A.O. Assembly at which it was decided that member states should submit further data and comments to the Council by June 30, 1949.

The Commission incorporated in its draft agreement a number of provisions governing route agreements, viz:—(a) designation and number of airlines to operate the routes; (b) withholding or revocation of rights where an airline does not satisfy conditions regarding its nationality and control; (c) special conditions applicable to joint operations.

#### IV. Australia-New Zealand Proposal for International Ownership and Co-operation.

The Australian solution to the above problems was based on the joint affirmation by Australia and New Zealand in January, 1944, that full control of international air trunk routes and ownership of all aircraft and auxiliary equipment should be vested in an international air authority.<sup>23</sup> This proposal was rejected even by the United Kingdom and Canada, although the former supported the proposal at the First Interim Assembly of P.I.C.A.O. The French delegation supported the proposal<sup>24</sup> and eventually it was successfully urged that the Committee on Air Transport should examine and report on the feasibility of the international ownership and operation of trunk air routes.

The Committee undertook a series of historical and factual investigations which were examined by Commission No. 3 of the First

20. C.f. Anson C. McKim, "World Order in Air Transport," *International Journal*, Vol. II, No. 3, 1947, p. 235-6; Edward Warner, "The Chicago Air Conference," *Foreign Affairs*.

21. Resolution No. A1-38, I.C.A.O. Assembly, May, 1947.

22. For full text see *Relevant Documentation and Summary Minutes of Plenary Meetings*, Vol. 1, Commission on Multilateral Agreement on Commercial Rights in International Civil Air Transport, Doc. 5320, A2-EC/10 (Montreal, April, 1948).

23. For the full text of the Australia-New Zealand, Canberra Agreement see *Current Notes on International Affairs*, January, 1944 (Canberra).

24. The French Delegation to the Disarmament Conference of 1932-34 suggested internationalisation as a security measure against the mobilisation for military purposes of civil air fleets. See Mance, op. cit., Ch. XI. For the implications of internationalisation proposals see a critical analysis by J. Parker van Zandt, *Civil Aviation & Peace*, The Brookings Institution, 1944. Ch. IV.

Assembly of I.C.A.O. (1946)<sup>25</sup>, namely, the Commission on Economic Questions, and it was resolved that members should submit to the Council the results of their studies of possible plans for the organisation of international air transport under the following heads, viz:—

- "(a) A single organization to operate the world's trunk air routes;
- (b) Organizations to operate trunk services within a given area by combining the national interests concerned, for example Europe;
- (c) Organizations for the international operation of services on individual routes with the object of producing a single international instrument combining all or some national organizations operating on particular routes, for example Europe to South America."<sup>26</sup>

Pending wider acceptance of the internationalisation proposals Australia has persistently favoured the establishment of suitable multilateral arrangements. Australia has denied that the predetermination of capacity and its equitable allotment was impracticable under a multilateral agreement. Australia's delegations have also advocated the fixation of reasonable rates through conferences of airline operators or the interested states, or by an international authority. It has also been stressed by Australia that multilateral agreement should give important disciplinary powers to I.C.A.O.; should take account of the special position of countries running pooled services or joint operating organizations; and should ensure a state's right to share equitably in the third and fourth freedom traffic between its own territory and that of another state.

#### **V. British Commonwealth Co-operation.**

In anticipation of the rejection of their internationalisation proposal, Australia and New Zealand agreed to support as an alternative, a system of air trunk routes controlled and operated by the British Commonwealth under government ownership. Such intra-Commonwealth services were discussed at the Montreal Conference which followed immediately after the Chicago International Conference. Canada and South Africa refused to participate in a simple corporation but a basis of co-operation in respect of particular routes was achieved. For example, Canada agreed to a parallel-partnership arrangement with the new Australia-New Zealand-United Kingdom Corporation, British Commonwealth

25. Australia was represented.

26. *International Ownership & Operation of Trunk Air Routes*, Vol. II, discussion of Commission No. 3 of the First Assembly; I.C.A.O., Doc. 4521, A1-EC/73 (Montreal, May, 1947) p. 47.

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Pacific Airlines.<sup>27</sup> The requisite bilateral agreement for the operation of the trans-Pacific service was concluded with the United States in December, 1946.<sup>28</sup>

Operations of routes by joint British Commonwealth organizations is now a characteristic feature of the international air transport network. Australia, for example, participates in Tasman Empire Airways, and in the Australian-United Kingdom service operated jointly by Qantas Empire Airways and British Overseas Airways Corporation. There is also a joint operating organization in the case of the United Kingdom-South African route. These organizations, it will be observed, represent a *de facto* movement towards internationalization and their record should provide invaluable material on the feasibility of joint international ownership and control. Nor should the British Commonwealth Air Transport Council be overlooked. Its functions, as laid down at the Montreal Conference, are to keep under review the progress and development of Commonwealth air transport, to serve as a medium for the exchange of views and information and to consider and advise on such civil aviation matters as may be referred to it by any member.<sup>29</sup> A Committee on Air Navigation and Ground Organisation (C.A.N.G.O.) has been established.

The Wellington Conference (1946)<sup>30</sup> established an advisory body entitled the South Pacific Air Transport Council. Plans were laid down to provide local and regional air services in the South Pacific area and final agreement was reached on the trans-Pacific service<sup>31</sup> which was operated under charter by Australian National Airways Ltd., until B.C.P.A. commenced active operations in mid-1948.

## VI. Conclusion.

It is very unlikely that the new Australia-New Zealand proposals for internationalisation of air transport will prove acceptable to the various countries concerned, particularly in view of the reluctance of the U.S.A. to concede even international regulation, let alone ownership. It remains, then, to evaluate the significance of the "five freedoms" for Australia.

27. Australia holds 50 per cent. of the shares.

28. B.C.P.A. is permitted to pick up and discharge passengers, cargo and mail on the following route:—Australia via Fiji, Canton Island, Honolulu to San Francisco and beyond to Vancouver. Pan-American Airways has similar rights on the direct route between San Francisco and Sydney. The agreement provides for a frequency of up to two trips per week.

29. The first meeting was held in London in July, 1945.

30. Attended by representatives of the United Kingdom, Australia and New Zealand. Canada sent an observer.

31. B.C.P.A. Ltd. was registered in Sydney on 24 June, 1946.

Now Australia is essentially an air route terminal. It does not lie on any great circle route between two continents, or high population density. The significant land masses from the point of view of air transport lie in the Northern hemisphere. This country, therefore, is not strategically placed to secure favourable terms by means of bilateral negotiations. Hence Australia, unlike Canada, does not make any sacrifice in granting the first two freedoms, namely, the right of aircraft of other nations to fly across its territory without landing and the right to land for non-traffic purposes such as refuelling. Australia stands to benefit greatly, however, if its own aircraft are free to choose the most direct and economical routes to distant countries.<sup>32</sup>

The third and fourth freedoms permit our aircraft to convey goods and passengers departing from, or destined for, Australia, but do not permit them to pick up intermediate traffic. It would appear that such rights are essential to economical operation, facilitating a fuller utilisation of capacity. There is the danger, however, that, if unregulated, these freedoms would favour such nations as the United States, whose air transport resources are so enormous that the incipient efforts of weaker countries would be overwhelmed.

The fifth freedom, the right to set down and pick up intermediate traffic, has been the main obstacle to a general multilateral agreement since it impinges upon the third and fourth freedoms of other nations. If accepted, it would involve the right of an Australian company, operating via the United States to Great Britain, to pick up passengers in the United States destined for Great Britain. It would clearly create opportunities for high load factors, and hence economical utilization, but at the expense of the countries situated at intermediate positions along the route. Again, it is clear that Australia, as an air terminal, stands to gain rather than lose by signing an agreement incorporating this freedom. But a complete analysis of the implications of the five freedoms for the various countries chiefly concerned leads to questions of extreme complexity and would require a separate article.

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32. Cf. J. Parker van Zandt, *The Geography of World Air Transport*, (The Brookings Institution, 1944).

## The Indian Ocean: A Background to History.

*J. Gentilli.*

The appraisal of geographical positions is only possible by a study of maps. It would be futile to approach the complex problems of the Indian Ocean and its geographical relationship to the rest of the world without resorting to a careful study of the most suitable maps.

Emphasis on the map is necessary because it is through the map that the human mind can try to encompass the enormous distances involved. At the same time, it is necessary to show shapes and sizes as correctly as possible, and it is in this cartographical choice that the geographer's aid is required by the historian and the sociologist.

The most common maps of the Indian Ocean are drawn on Mercator's projection, and because of the peculiarities of that projection they are cut off before they reach high latitudes. The fine map published by the National Geographical Society ends at 37° S. This is unfortunate because it fosters the belief that the Indian Ocean ends somewhere near 35° or 40° S., and the true relationship between the Indian Ocean and Antarctica is easily neglected. On Mercator's projection all parallels except the equator are too long, and this results in a widening of the Indian Ocean between south-western Australia and Natal.

To get a faithful picture of the spherical surface which is the Indian Ocean it is necessary to turn to the orthographic projection, in which the globe is shown as it would appear when seen from an infinite distance. The present paper has been written in front of an azimuthal orthographic map of the Indian Ocean, specially constructed for the purpose, and held with the north side downwards in order to avoid any of the traditional misconceptions. On it the Indian Ocean looks like a broad U-like structure, with Indonesia and Australia forming the left arm and Arabia and Africa forming the right arm. Antarctica looms near the upper edge of the map. For most of these maps, a point at 20° S. and 80° or 90° E. should be taken as the point of projection.

### **The Environment.**

The Indian Ocean is characterized by the even distribution of temperature in both its air and its water. This is brought about by the absence of a cool current off the Western Australian coast, a phenomenon which is unique among the western coasts of the world at the same latitude. Another unique feature of the Indian Ocean is the reversal of the oceanic circulation during the year: the waters reverse their direction of flow in the vicinity of Asia and of Australia. When there is an offshore seasonal wind, waters tend to drift away from the continent; when the seasonal wind blows onshore, waters tend to drift towards the continent. Thus peculiar pockets of very nearly hot water may accumulate near the shore in the Arabian Sea and in the Gulf of Carpentaria. The generally warm temperatures experienced in the waters nearing Asia and northern Australia favour the development of pearl-shells, which are the basis of a flourishing industry in the Red Sea, the Persian Gulf, Palk Strait, Broome and Torrens Strait.

The general flow of air is outwards from Asia between November and March, and towards Asia between May and September. April and October see the development of transitional conditions; another traditional belief is thus shaken—there is no "about-turn" after exactly six months as is so often taught in the schools. In these days of steam and oil navigation one is apt to forget the vital importance of these seasonal changes in the air-flow as they affected Malay, Arab, and European traders in the past centuries.

Over Indonesia and northern Australia the air-flow continues the general pattern set by Asia, flowing into Australia from December to March, and out of Australia from April to October. The different duration of the transitional period is due to the smaller size of Australia when compared with Asia.

Between about 15° and 40° S. the central and eastern part of the Indian Ocean is under the control of a permanent anti-cyclone, from which arise the trade-winds which flow regularly towards the north-west and alternately clash or merge with the air-flow from or towards Asia. This anti-cyclone also controls the drift of oceanic waters along the Western Australian shore in summer; in winter the control from the anticyclonic condition of the continent proves stronger, and the drift of water along the shores takes place southwards.

The southern edge of the great Indian Ocean anti-cyclone gives rise to the winds known as the roaring forties, which flow in a general south-eastward direction. They are strong winds, which from latitude about 40° S. blow with great force and regularity.

The southern section of the Indian Ocean is therefore under the permanent control of these westerly winds, at least as far south as man normally travels at present.

These factors exercise a vital degree of control over the climate of Indian Ocean lands. India has a wetter and longer rainy season than would be the case without the monsoon, except in the hypothesis that India were situated on the east side of a continent. The unique pattern of water circulation off Western Australia allows higher rainfall to occur farther north than on the west side of any other continent at the same latitude. Somaliland and Arabia are adversely affected and have dry climates, instead of the wet climates they would have if there were no monsoons, and if the trade-winds could sweep unhampered over a large water expanse. European settlement in any significant numbers can only take place in the temperate regions, which in the Indian Ocean are limited to the relatively short sections of the coastline between 20° and 35° S. Economic and historical trends of the past have only too well confirmed this view.

### The Men.

The general pattern of racial distribution around the Indian Ocean could be summarized as follows. Primitive peoples still live in the least accessible areas of Ceylon (Vedda), in the Andaman Island (Mincopi), in Malaya (Semang), in New Guinea (various pygmy tribes). The Tasmanians, also a very primitive group, have become extinct within living memory. The Bushmen have been pushed away from the coast, into the Kalahari. There is good ground for believing that these isolated occurrences are the shattered remains of formerly more numerous groups, gradually pushed into the wilderness by invading newcomers with a more efficient tribal organisation or physically better equipped.

Bantu tribes were certainly responsible for the shattering of the Bushmen's groups in South Africa. It is known that the various Bantu peoples known as Bechuana, Basuto, Kaffir, etc. entered South Africa from the north within historical time: the general trend of migration in Africa is still southward.

At the opposite end of the Indian Ocean lies another area inhabited by similar tribes—New Guinea. The Papua racial type is by modern anthropologists related to the Negro type, and it is possible that both South Africa and New Guinea represent the extreme wings of a Negro advance along the shores of the Indian Ocean. In the same way as the Bushmen have been shattered by the Bantu, the pygmoids of New Guinea have been shattered and pushed into the mountains by the Papuans.

Other racial groups which have come from the north are the Dravida of the Dekkan and the Australians. The Dravida have left some shattered groups behind, especially the Gond. The Australians show a progressive physical deterioration from north to south, probably because of the much greater proportion of Tasmanian blood absorbed by the southern Australian groups, the first ones to advance into the continent. The northern Australian groups came into the continent when their kith and kin already had become established, and the traces of Tasmanian blood were already much weaker.

Thus in Africa, the Dekkan, New Guinea and Australia there are signs of a progressive southward movement of great human groups.

Were these groups moving southward because of an urge to migrate, or because of some natural cause, or because other groups pushed them on? Or was there any combination of two or even three such causes at work?

A study of ethnographic maps may provide a tentative answer. Behind the Dravida are several shattered groups of more highly evolved peoples, known as Korku and Munda, the latter divided into several smaller groups. Closely related peoples are also found in Burma (Mon), Thailand (Khm), Indo-China (Moi and Khmer), and Malaya (Yakudn). The Batak of western Sumatra and the Dyak of Borneo are not far removed. According to the theory of human migrations formulated by Griffith Taylor, these groups were chiefly responsible for pushing the Dravida, the Australians and the Papuans farther and farther, or for brushing them aside from the main corridors of migration.

A similar pattern developed along the north-western shores of the Indian Ocean, where Hamite and Semite groups were gradually moving southwards across the Red Sea, into Somaliland, and farther south.

The most daring mass migrations in the Indian Ocean were those of pre-Malay groups which sailed to Madagascar perhaps 2000 years ago and gave the population of that large island an entirely new imprint. According to the best authorities, there are some Dyak affinities in the languages of Madagascar.

Still higher peoples were pushing forward, however, and the migrations of the Persians to the south-west, of the Arya to the south, and of the Malay to the south-east already belong to sub-historical times.

An interesting contrast emerges from a comparative study of

human migration along the western and the eastern shores of the Indian Ocean: the western-shore migrations are either slower or later. The pattern of human migration is lop-sided. If the shattered remnants of the pygmoid tribes are disregarded, one finds that Negro peoples extend along about 3,200 miles of coastline on the western side, whereas Papuans extend only along 1,200 miles of coastline on the eastern side (Arafura Sea). The Dravida occupy about 1,600 miles of coastline in the Dekkan, the Australians occupied the entire coastline of the continent before the white invasion; and yet there are no representatives of corresponding peoples along the western shore.

Hamite and Semite occupation reaches little south of the equator on the western shore, where the southernmost Somali are about 2,400 miles away from the Asian mainland. On the eastern shore the Dyak are about as far removed, but the groups living in the Celebes and in Timor are much farther away. Those that sailed to Madagascar are over 2,900 miles away from Asia in a straight line, but they actually travelled well over 6,000 miles because they came by way of the east.

Coming to the higher groups, the Persians have now reached 2,400 miles or so from the point where they parted from the Arya. The Arya have gone farther, or faster, because they now reach about 3,200 miles away, at Chittagong, although this might be the limit of Aryan languages rather than the limit of Aryan peoples. The Malays have passed from Malaya into central Sumatra, and one branch of the family now forms most of the population in Java. The Persian branch reaches only 24° N., the Arya branch 15° or 20° N. according to whether race or language is considered, but the Malay-Javanese branch reaches 8° S.

In addition, there is no sign of modern mass migration on the western shore of the Indian Ocean, but the Thai press against a fluid Malay border on the eastern shore, while the Vietnamese advancing along the Pacific shore have colonized the delta of the Mekong and look like encircling the Khmer and reaching the shores of the Indian Ocean in a not very distant future.

Compared with the Asian migrations, the settlement of a few millions of Europeans in South Africa and in southern Australia is a fact of minor importance. The Europeans were only able to colonize these two regions because they landed from the sea and established a racial bridgehead before the main flow of immigrants had arrived from the north. There were clashes with the Bantu, who tried to fight their way south, but there were hardly any clashes with the Australian aborigines.

Thanks to their superior weapons, which ranged from guns to alcohol, European powers were able to establish some sort of control over most of the countries on the Indian Ocean. While for a few centuries during the Middle Ages it appeared as if the Arabs were going to control at least the north-western sector, their defeat at the hands of the Portuguese at Diu in 1509 marked the beginning of European ascendancy. The Portuguese established trading posts and shore forts, but could not hold their own for very long especially when Portugal itself became subject to Spain. The Dutch seized the opportunity, acquired a foothold in Java, took emptiness of the Cape region, together with its mild climate, Mauritius in 1638, Malacca in 1641, the Cape in 1652. The relative prompted more settlers to come from the Netherlands. The contrast between the numbers and permanence of the Dutch population in South Africa and in Java, notwithstanding the fact that Java was under Dutch control for a much longer time, is very significant.

French expansion began at almost the same time, and was to last longer. The first occupation of eastern Madagascar dates from 1642, that of Bourbon (now Reunion) from 1643. Posts were established at Pondichery in 1672 and at Chandernagor in 1688, and the short-lived exploitation of India then began. Mauritius was taken from the Dutch in 1715 and renamed Ile de France. The Seychelles were occupied in 1769. By 1783 most of the French colonial empire in the Indian Ocean was lost to the British; only a minor acquisition followed soon afterwards, that of Diego Garcia in the Chagos (1791). The consolidation in Madagascar dates from much later years.

British expansion, after the settlement with France in 1783 and the first colonization of Australia in 1788—on the Pacific side of continent—could be summarized by listing the acquisition of the Chagos and Mauritius from France in 1814, the establishment of Albany in 1827 and Perth in 1829, the occupation of Perim in 1857, of the Laccadives in 1875, the Cocos in 1876, Socotra in 1886, East Africa in 1889 and the establishment of the Zanzibar protectorate in 1890.

The granting of Dominion status to India and Pakistan and of complete freedom to Burma has withdrawn the keystone from the structure of European control of the Indian Ocean. The struggle for independence in Madagascar and Indonesia shows that the ideal of freedom travels fast, and that the belief that freedom is only to be enjoyed by white men is no longer tenable.

### The Future.

The preceding pages have shown that there is a great climatic difference between the north-western and the north-eastern shores of the Indian Ocean. The climate of the north-west is dry, the climate of the north-east is wet.

The study of human migrations along the shores of the Indian Ocean has shown that migrations along the western shore are slow or late, and migrations along the eastern shore are fast or early. The factor responsible for the slowing down or delaying of western migrations probably is the great stretch of dry climate between Pakistan and Somaliland. There is a possibility that the presence of narrow channels between the many islands of Indonesia may have contributed to a greater speed in the flow of human migrations, by forcing the migrants to adopt navigation and to become proficient in it. Ocean journeys like those of the early colonizers of Madagascar, those of the Polynesians, and those of the Micronesians—all closely related peoples—are among the greatest and most daring achievements of mankind.

The better climate and easier communications have brought forth a more favourable environment for human civilization in the north-eastern sector of the Indian Ocean than in the north-western sector. The more recently evolved peoples of Indo-China, Malaya and Indonesia have developed much richer civilizations than those developed by the Arabs and the Somali in their native realms. It is very significant that the Arabs had to migrate to more congenial climates before they could evolve their best civilization; these climates were all located near the Mediterranean, away from the Indian Ocean. Only if Portuguese power had not stopped the southward advance of Arabian traders along the East African shore, would they have been able to reach more favourable regions in Natal. Even in its eastward advance Moslem civilization produced its best results in the favourable climatic environment of the Punjab. Stern ideals and indomitable courage befit the nomad of the dry climates, but culture and beauty can only thrive where there is a comparative leisure, in the wet climates where crops grow and animals thrive without ceaseless toil.

The greater wealth of the north-eastern sector brought European traders and conquerors there rather than to the poor north-western sector; but it also meant that European traders and conquerors had to face more vital, more enlightened, more civilized peoples. It meant that the European newcomers, often not the best that Europe could offer in the way of civilization, had to meet some of the best cultures evolved in the East. It was only to be expected

that these cultures accepted the European evil only because they were too weak or too civilized to fight it. If conquest by the sword proved relatively easy, conquest by the book proved impossible—missionary efforts were futile when Christianity tried to conquer Hinduism, Buddhism or Islam, possibly because so many of the Christian traders and soldiers were such a negation of Christian ethics that they undermined the best missionary work. At any rate, the successive waves of conquest and the several religions that had swept over southern Asia had thoroughly convinced the people that no conqueror could last very long without either being absorbed into the life of the country, or being defeated by a more powerful foe, and no religion could last unless the people adopted it wholeheartedly.

The attitude of the peoples of the Indian Ocean became one of patient expectation—until the conquerors followed the usual fate.

One factor however made the European pattern of conquest different from the earlier conquests: the European conqueror wanted to trade and exploit, but he did not want to settle. Asian conquerors wanted the land because they wished to live on the land, they wanted to stay there and make the land their own and their children's land. European conquerors were very glad to leave as soon as they had made enough money, or as soon as they were entitled to a holiday or a pension. Another factor that made European conquerors different from Asian conquerors was their power to use large ships for their goods and for their armies—it was never possible to tell when the European conqueror was weak, because his armies were never entirely in sight. Hence the many ill-timed and ill-fated attempts to regain freedom in India, Indonesia, Madagascar.

Modern technique has changed all this. If it is true that Europeans and Americans still control most of the world's shipping and air fleets, it is also true that news can be obtained from any distance in practically no time. Whereas the size and movements of European armed forces were formerly unknown to the Asian peoples until these forces were actually fighting them, now leaders in India, Java or anywhere else can know fairly accurately the numbers and positions of any forces in which they are interested. Two world wars have taught millions of men how to use modern weapons, and they have also taught the Asian and the African that they can use a modern weapon as efficiently as any European. Two world wars have also taught the Asians that Europeans can cheat and swindle and attack and murder each other quite eagerly, and that they very readily used their best ethics to justify any action that seemed expedient. The second world war has also taught the Asians

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—and the Africans are likely to follow suit—that European promises are not reliable and are not likely to be kept unless it is in the interest of the Europeans to keep them. Many promises were made in time of need, the Atlantic Charter was handed out to the world, but a few months after the end of the war the Atlantic Charter was conveniently forgotten and many promises were shelved.

At this stage Asian peoples decided that the time had come to remind Europeans of these few elementary truths. India and Pakistan were able to obtain freedom without war, because of various reasons that it would be impossible to analyze here. Suffice it to say that now India is a creditor country and Britain owes her an enormous amount; that India has her secondary industries of world importance; that India holds a commanding position in the Indian Ocean.

Burma, financially very weak, was given full freedom. The Burmese government has the choice between financial subservience to Britain or the United States, or complete reorganization of its economy according to a precise plan.

Thailand has managed to retain an uneasy independence as a buffer between British and French territories. This independence will be more clearly defined in the future, and a gradual evolution towards a planned economy seems unavoidable if the population is to expand at the rate that may be expected where a rice civilization adopts higher health standards.

Malaya undergoes a tragic change because it is the bottleneck through which all Asians moving outwards must pass. The Malays had reached a contented stage until they were subject to pressure from Chinese and Indian migrants. The Indian immigrants represented a transitory population, but many Chinese had come to stay, and had risen to great wealth and power. Their numbers and affluence had made them the most powerful section of the community. They represent the advancing higher peoples from Asia, and they are biologically better equipped than the Malays. Britain has been able to act as an arbiter in this state of conflict, but new forces have risen among the more vital people, and freedom is demanded. It is undoubtedly that the peoples concerned have a right to freedom, but it is still questionable whether this freedom can be used to their best advantage in the immediate future. However, progressive developments cannot be halted.

Indonesia has tasted independence during the brief interlude that followed the surrender of the Japanese forces. Notwithstanding Dutch efforts, the trend of events is clear, and it may be said

that the Dutch choice lies between a far-sighted co-operation with the age-old yearning for independence of the Indonesians, and a narrow-minded colonial policy that will lead to a final catastrophe as soon as opportunity offers. In the old days Indonesian leaders might have missed their opportunities; in these days of radio and air transport this will not happen again.

Madagascar lags behind the Asian countries. The attempt to overthrow French rule was premature, and failed. In view of the desperate demographic situation of France in Europe, it is likely that future developments may take place unexpectedly and at a fast pace.

The African shores of the Indian Ocean are not the theatre of similar events. African races are less highly evolved, African civilizations are less highly organized. Africa will wait.

But it is most likely that the destiny of the Indian Ocean will be decided in the Indian Ocean by the free peoples of the Indian Ocean. The white communities of Australia and South Africa will be accepted as partners and good neighbours if they show a far-sighted understanding of historical trends. If they fail, their marginal position will automatically make outcasts of them — the Indian Ocean does not need them, but they need it for their very existence.

## Representation in French Oceania.

*Nancy Robson.*

In the present period of readjustment of world balance, the destiny of the old colonial areas is clearly of central importance. Post-war changes in the political structure of the French Empire — newly constituted, with France, as the French Union — thus take on particular significance in the study of world affairs. Of these probably the most noteworthy has been the setting up in French colonies of local representative assemblies of very considerable scope. This is part of a new policy of greatly increased representation for French territories: while these are still represented, as before—and in much greater numbers—in the two houses of the metropolitan parliament, they now send delegates to the newly created Assembly and High Council of the French Union, and have, in addition, elected regional councils, as well as federal assemblies where territories fall into natural groups. Since, both to the local federal bodies and to the two houses of the Union, it is the regional assemblies that elect representatives, whereas they themselves are elected generally by the vote of all people resident in the territory, it is clearly in the regional assemblies that the reality of the change in French policy may best be understood.

The "French Establishments of Oceania" is the name under which are grouped the widely dispersed islands about Tahiti: the Societies, Gambiers, Marquesas, Australs and the Tuamotu Archipelago. Although they are dispersed over an area comparable to that of Europe, the islands sustain only about 56,000 inhabitants, of whom 20,000 live in Tahiti itself. Before the war, these 56,000 people were represented only in a semi-nominated council known as the Economic and Financial Delegations, consisting of the Mayor of Papeete, the presidents of the Chambers of Commerce and of Agriculture, the administrators of the Leeward Islands, the Gambiers and the Marquesas, and seven elected members: one each from the municipal council of Papeete and the municipal commission of Uturoa, the Chamber of Commerce and the Chamber of Agriculture; and a delegate from each of the elected district councils of

Tahiti, Moorea and the Tuamotus. A council so recruited gave little real representation to the population; in any case it was consultative only, without final authority of any kind in the fiscal and budgetary matters which came within its scope.

On 31 August, 1945, during the period of the Provisional Government in Paris, a decree was issued over the signatures of Charles de Gaulle and Paul Giacobbi, then Minister for Colonies, setting up a new representative assembly in the French establishments in Oceania. This measure was in conformity with General de Gaulle's policy towards colonial peoples, which he had expressed shortly after the liberation of Paris in the statement that "the policy of France is to lead each of these peoples towards a development which will enable it to administer its own affairs and later to govern itself". It conformed, too, with certain recommendations of the conference on colonial problems held in Brazzaville in February of 1944, six months before the liberation of Paris. This conference had laid special emphasis "on the fact that the colonies should gradually advance on the way leading from administrative decentralisation to a status of political personality". The conference suggested as a first step towards this realisation that, in the place of the pre-war consultative organisms, there should be created:

In the first place, subdivisional and regional councils, composed of native notables and availing themselves, whenever possible, of the framework provided by existing traditional institutions;

Second, representative assemblies, composed partly of Europeans, partly of natives.

The members of these bodies would be elected by universal suffrage wherever and whenever this would be practicable.

Although France's parliamentary life was to know many vicissitudes between the date of this first decree and the passing of her Constitution, the decree setting up Oceania's Representative Assembly in its present form, issued (twelve days after the adoption of the Constitution) on 25 October, 1946, restated the earlier one in a somewhat fuller form but with very little modification. Meanwhile elections had taken place in the islands, and the Representative Assembly of French Oceania was able to hold its first session in March, 1946. Technically, by a special provision within the decree, the first session was in April of last year; but since, by a further provision, no new elections were to be held, so that the members who met in March and December, 1946, in consequence of the earlier decree went smoothly on as the new Assembly under the later one, their activities may in fact be considered as having begun at the session of 11-22 March, 1946.

### The New Assembly.

The Assembly consists of twenty members, elected by "the persons of both sexes having the exercise of political rights". In practice, everyone was given the right to vote. In addition, either the Government Secretary or another official appointed by the Governor is present at all sessions to represent the Administration. (He does not vote.) The main difference between the earlier and later decrees was in conditions of eligibility for election. In 1945 the following persons were ineligible: officials or agents paid from public funds, members of the Privy Council, persons undertaking public works or services paid for from local, general colonial, or communal budgets. In the decree of 1946 the list of offices involving ineligibility is given in very much greater detail and no longer includes lesser officials, save where they are handling public funds. The minimum age of candidates is lowered from twenty-five to twenty-three years. Delegates must have been living in the territory three years at least, must be chosen by the electoral district within which they live, and must be able to "read, write and speak French fluently". Since primary education is general, save in the remotest islands, and instruction given in French, this condition cannot be said to have constituted a barrier to the election of the natives' representatives. In Assembly meetings it is noticeable that one or two delegates from islands where French is hardly spoken take little part in the general discussions, while they are able on the other hand to bring to the attention of the Assembly the particular needs of their own districts.

The islands are divided, for electoral purposes, into fifteen districts. The town of Papeete elects four delegates to the Assembly; the eastern and western divisions into which the island of Tahiti naturally falls elect two delegates each; the peninsula, with the Taravao isthmus, elects one, as do the islands immediately dependent on Tahiti. In the Leeward Islands, the municipality of Uturoa sends one member and the district of Raiatea another; Tahaa, the smaller island enclosed within Raiatea's coral reef, sends a third; Huahine and Borabora send a fourth and fifth. There are two for Marquesas, one for the Austral group, and two for the powdering of atolls of the Tuamotu Archipelago. Delegates are selected for five years and are re-eligible. The Assembly is renewable as a whole every five years. Members are unpaid, but may during sessions receive a daily allowance to cover their expenses. Cost of their transport is borne by the colony.

The Assembly holds two ordinary sessions each year, and may hold extraordinary sessions if convened by the Governor or at the

written request of two-thirds of its members, addressed to the President of the Assembly. Ordinary sessions may not exceed thirty days' duration, extraordinary sessions fifteen. A president, vice-president and secretaries are elected by a secret ballot of the members. The presence of one more than half of the members constitutes a quorum. The head of the territory has the right to be present at any session of the Assembly and to take part in its discussions. In addition to the Government Secretary, present to represent the Administration, heads of departments may be asked, through the Governor, to assist the Assembly with technical advice on matters relating to their functions. Minutes of meetings, kept by the secretaries, are signed by the President, who forwards them to the Governor; the Administration publishes them without delay. The Assembly can now be suspended or dissolved only by a decree of Cabinet, whereas before the war this right was vested, as a general feature of French policy, in the colonial Governor.

The new Assembly, besides being a genuinely representative body, has very much wider powers than the pre-war organisms. It has the right to carry resolutions and make recommendations on a wide range of matters. The Governor is charged with ensuring that these recommendations shall be put into effect. Matters within the scope of the Assembly include: the acquisition, transfer, exchange and general management of the Colony's property (building and real estate); road planning and construction; granting of concessions (forestry, mining, etc.) except to foreigners; public works included in the budget of the territory, and their execution; encouragement of production; loans and pecuniary guarantees to be entered into by the territory on the basis of its resources; organisation of savings-banks; endowing and allocation of travelling scholarships (to the Central high school in Papeete for children from the remoter islands, and to France for further training for pupils qualifying from the Central School); housing at low rental and co-operative societies; management of tourist activities; child and social welfare insofar as it depends on the local services; control of proceeds of local stamp issues; the basis, mode of collection and amount of levies of all kinds, *including dock dues and import and export duties imposed for the profit of the colony*. The resolutions of the Assembly in all matters save the last are final, and are put into effect, unless the Governor appeals to the *Conseil d' Etat in Paris* for their annulment on the ground that the Assembly has exceeded its powers or violated the law. In this case he must inform the President of the Assembly of the appeal he has lodged; if no annulment is declared within three months from that time, the resolution takes effect. Excluded from the sphere of the Assembly's

deliberations are matters financed by the French Colonial Development Fund (*Fonds d' Investissement pour le Développement Economique et Social*, referred to, not without symbolism, as FIDES). It may, however, choose to allot sums in the local budget as a contribution towards the work undertaken under FIDES for the Territory; which means that in practice a good deal of useful discussion of local development plans takes place.

The provision relating to taxes and tariffs represents a very real extension of the colony's economic freedom. Here, however, France has retained a measure of control over policy. Assembly recommendations as to the basis, and manner of collection, of taxes and customs duties, do not become applicable until they have been approved by the *Conseil d' Etat*. This approval must be expressed in decrees within ninety days of receipt, by the Overseas Ministry, of the Assembly's recommendations. If, however, the *Conseil d' Etat* asks for an amendment to the proposals, the Assembly may accept the amendment, in which case they are given effect by the Governor's order within thirty days; or make new proposals in the same conditions as before. Assembly decisions as to rates of taxes and duties are subject to a similar procedure, except that in this case the Minister may decide to give them immediate effect. All decisions on customs matters must moreover be made within the framework of the law 13 April, 1928, which laid down a general policy of reciprocal preference among territories of the present French Union.

The budget of the colony is now in the hands of the Assembly. Prepared and presented by the head of the territory, it is debated by the Assembly, whose decisions take effect unless the Governor successfully appeals against them to the *Conseil d' Etat*, for excess of power or violation of the law, as before. The Assembly may, equally with the Governor, initiate expenditure, except for the creation of new posts or for the increasing of credits relating to personnel. The Governor cannot make any change in the budget as approved by the Assembly, except where, under certain headings grouped together as *compulsory expenditure* he deems the amount allocated to be insufficient. In this case, he refers the matter at once to the Minister; the *Conseil d' Etat* may then give effect to the proposed modification. Compulsory expenditure falls under these headings.

Debts of the territory; superannuation contributions;

Salary and allowance of the Governor and upkeep of his establishment and secretariat; salaries and allowances of officials appointed within the framework set up by legislative measures;

Expenditure relating to the police force, law and justice, public instruction, public health and customs;

Any expenditure decreed by special law.

In addition, there are certain matters on which the Assembly is obligatorily consulted, in particular:

The granting of land concessions of over 200 hectares or of forestry concessions of over 500 hectares, except where they come within the scope of FIDES. (Where the development plan is concerned, the Assembly must be consulted only on the practical measures involved.) If the Governor disagrees with the recommendation of the Assembly, the question is referred to the Minister for decree, except where the area involved exceeds, in the one case, 1,500 and in the other 2,500 hectares; then the decree must be approved by Cabinet after being referred to the Union Assembly.

The administrative organisation of the territory;

The organisation of education, property, labour and social security, chambers of commerce, agriculture and industry, agricultural and other credit, legal representation, the local penitentiary system;

The regulation of land and property rights generally, and of civil procedure, with the exception of organisation of the judiciary.

In all these matters, the Assembly must give its opinion no later than in the session following that one in the course of which it is consulted. It can at all times ask the Governor for information on questions of interest to the territory. Furthermore, the Assembly may, through its President, communicate directly to the Minister for Overseas France any observations (not of a political nature) that it may desire to make in the interests of the territory, including its opinion on the situation and needs of the different public services.

Because of difficulty of access to islands visited only by an occasional schooner, a "Permanent Commission" of three, four or five members resident in Tahiti is elected by the Assembly from among its numbers, with the object of avoiding delay in dealing with matters that arise between its sessions. The Governor furnishes the Permanent Commission with a monthly statement of the territory's financial activity. The Commission presents, at the outset of sessions, a record of its decisions and activities to the full Assembly.

#### **Future Problems.**

This, then, is the new Representative Assembly of French Oceania. Clearly, its character and functions are revolutionary upon pre-war policy. Although, before the war, at some periods and by some French writers and thinkers there was advocacy of this sort of decentralisation of authority and function, the striking characteristic of French colonial policy as laid down by metropolitan law had remained its extreme degree of administrative and political centralisation. When the Constitution of the Fourth Republic was adopted in October, 1946, the sections setting up the French Union, while they foreshadowed present developments, permitted some

breadth of interpretation and left certain essential points to be decided by subsequent laws. It was possible at that period (and this was done by many observers, both foreign and French) to assert that here was the old policy tricked out in new colours to satisfy the international pressures that, for their various well-defined reasons, demanded colonial change. Intervening legislation, however, and in particular that series of laws setting up local assemblies throughout Overseas France certainly suggests that policy has been permanently reorientated. It is true that in her long assimilationist tradition, France has known occasional temporary reversals of policy. The present movement to the right seen in French polling results, if it were to culminate rapidly in a strongly right-wing government, would no doubt be accompanied by certain modifications of present policy. But it seems unlikely that it could mean a return to pre-war attitudes. There is strong criticism at home of the unstabilising effect of shifts of policy—and indeed it is likely that more harm comes from these than from the consistent implementation of one policy or the other.

Many factors extraneous to the problem itself influenced the sections of the Constitution that set up the French Union. The Constituent Assembly was predominantly left-wing, with the Communists the strongest party; and this was the balance of opinion in the National Assembly until late in 1947. There was a large body of colonial deputies, some of whom were willing to bargain politically for support of a point of view. Nationalist movements in colonies had gained impetus and opportunity from the war\*, and in some cases were encouraged by outside forces to which any chaos was a congenial condition. Added to this confusion of inner tensions were constant external pressures which France could not afford to ignore. So that it is false to see in present French policy merely the putting into effect of the Brazzaville recommendations. On the contrary, France has gone much faster towards the conceding of autonomy to her overseas possessions than the colonial technicians who conferred at Brazzaville would probably have considered wise or even safe. She has, for one thing, decidedly weakened the power of the colonial Governor, some of whose former functions (while the greater part of it is transferred to the local assembly) now devolve upon the *bureaux* at home. It is perhaps a good thing,

\* In Tahiti, a half-baked Tahiti-for-the-Tahitians movement worked up some momentum in the middle of last year, under a returned soldier called Pouvanaa, who was finally imprisoned on charges of conspiracy against the state—and of whom I heard no one in the colony, including British and Americans, offer a word in praise. It may in any case be questioned what the slogan *Tabiti-for-the-Tabitians* could signify, in view of the very great mixture of races throughout the island after years of many-sided foreign contact. It is certain that the elected Assembly, with its well-balanced representation of the groups and interests of the islands, is more likely to promote the welfare of the people than the opportunist group under Pouvanaa.

in view of the new character of the local assembly, to avoid a position that might cause the Governor to be regarded as automatically in opposition to the wishes of the people; on the other hand, critics of the Paris *bureaux* question whether they will use their powers of control to the best advantage of territories from which they are separated by distance and divergent interests. In Tahiti, it is clear that cordial relations exist between the Assembly and the Administration; it is against the departments and the laws of Paris that the local orators inveigh. "*Ab! les textes, ces bureaux avec toute l'armature administrative, en présence desquels s'effondrent les meilleures volontés!*" exclaimed the Vice-President when opening the session of last October. Certainly this attitude makes it easier for the local Administration to fulfil its new role of guide and teacher.

In brief, the pressure of a problem of enormous complication has brought forth, as a possible element in its solution, the new system of representation of the French Union. While any attempt to solve colonial problems can be regarded, in this era, only with profound misgiving, less or more tempered by optimism according to the psychology of the individual observer, there do seem to be two principal conditions on which the success of this part of the experiment might rest. Firstly, a high standard of wisdom, competence and disinterested devotion on the part, not only of field staff, but of officers of the central ministry; here, despite much clear-sighted criticism and some reforms, it would appear that the influence of political ideologies weighs still somewhat too heavily. Yet, on the other hand it is clear that within France's Overseas Service there is a strong team of devoted servants of her overseas territories, whose patriotic feeling finds expression in a desire for the genuine good management of her empire.

Second, success must depend on the speed with which the Assembly can learn to grasp local problems in their relation to a world context, and to base its decisions on principles broader than the small limits of Tahiti's shores: progress which cannot come suddenly in an Assembly almost wholly made up of men who have never left the islands, but which is no doubt likely to come more rapidly from actual practice than abstract learning. In more primitive communities, many bad effects have already come from granting liberties more advanced than the development of the people; in French West Africa, for example, primary schools were largely deserted after the general granting of citizenship under the Constitution, natives arguing that education is a form of forced labour and need not be endured! The Tahitians are advanced, of course, well beyond this stage; the Assembly has stressed the need for extending education

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and health services, although here the Administration's progressive health measures meet great difficulty in the extraordinary apathy of the population, many of whom, though suffering from tuberculosis or syphilis or other diseases, show the utmost unwillingness to present themselves regularly for treatment. A similar apathy is manifest in their reaction to the Administration's policy of encouraging agriculture, combating plant diseases and the like. In public affairs, too: thus, while meetings of the Assembly, held in a pleasant building on the waterfront close to the centre of Papeete, are open to the public, I was on all occasions during my visit (except the opening day, which is an official ceremony) the only audience present. The Assembly, if it is to be of any value, must face up to this problem of the apathy of the people. If it wants, as it will want, wider powers, it must offer evidence of its readiness for responsibility. Yet in its session of October, despite the shocking local death-rate from tuberculosis, especially in men and women under thirty-five years of age, the Assembly opposed the spending of money on a sanatorium for which the Administration had prepared admirable and not extravagant plans. Further, while it approved the establishment of an institute of scientific research, it successfully opposed the affiliation of the latter with the Pasteur Institute on the grounds of expense, despite the obvious advantages of such an association. Its preoccupations, indeed, are so far predominantly economic; and although its deliberations over the past two years seem to give evidence of a broadening outlook on financial matters, it is clear that the territory is very far from ready to do without the tutelage of France.

## Book Reviews.

"AFTERMATH" (FRANCE, GERMANY, AUSTRIA, JUGOSLAVIA, 1945 and 1946). By Francesca M. Wilson. 1947. (Penguin series).

In a year or eighteen months from now a single volumed official history of UNRRA is scheduled to emerge from the Historical Section of UNRRA's Washington Headquarters. It will give, no doubt, a well rounded account of the world's greatest experiment in international co-operation for humane ends. It will try to record faithfully UNRRA'S aims, its problems, its achievements. It will number the needy in millions of people, and it will calculate its own success in millions of dollars spent, millions of tons shipped, millions of lives saved. It will also, we hope, not fail to record that UNRRA went out of existence before its real task was accomplished because power politics, so long kept uneasily out of the picture, finally took control; that there came a time when economic aid was no longer forthcoming in the face of political defiance.

Yet it is much to be doubted whether this work will succeed in giving as real, as striking a picture of UNRRA in operation as is given in "Aftermath"—the story of UNNRA picked out in keynotes. Within its brief scope "Aftermath" shows UNRRA at its worst, and at its best. It is seen at its worst in its early stages, with the adventure hunters swarming on to the bandwagon, with the highflown plans and organisational charts so little related to reality, and in its Displaced Persons Operation, which fell short, as UNRRA's China Mission fell short, in the face of an unwieldly task to be performed amidst corruption and divided control. It is seen at its best in its later stages, with high powered administrators picked from many nations taking over controls; in its Jugoslav Mission, where it proved, if ever it is to be proved, that real international co-operation is possible, if only to achieve immediate practical ends.

"Aftermath" is the story of UNRRA told in terms of individuals. The dispenser of aid and the receiver are individual human beings. An UNRRA Mission Chief becomes a man to whom hungry people are not ciphers, but so many single cases of human agony. A recipient of UNRRA aid becomes a Jugoslav peasant woman who lost both her man and her mule in the war; a child whose fingers were blown off by the same grenade that blinded it.

But "Aftermath" is more than the mere story of UNRRA. It is the story of Europe's post-war sufferings and difficulties, told by a woman who knows Europe and really loves it. Its author is one of the few people who, having known Europe pre-war, have been able to adapt themselves to what has really become an entirely new world. Her knowledge and love of the old things and old ways have not blinded her to the very real merits of the new. Particularly in this true of her experience in Jugoslavia. Like so many of us who have tried to settle our ideas about the new Jugoslavia, she looked for black and for white, and found only grey. By her clever use of dialogue she has managed to pass on to her readers the multitude of facts and conflicting impressions on which she based her own opinion of Jugoslavia. She makes it fairly clear that there is plenty of room for very different conclusions to be drawn from the same set of facts and circumstances.

—Helen Wright.

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CO-OPERATIVE COMMUNITIES AT WORK. By Hendrick F. Infield. 1948.  
(Kegan Paul & Co., London, pp. 182).

This book interestingly surveys many of the attempts which have been made in various countries to adopt co-operative or collective systems of farming, either in order to settle farmers on land or with the objective of raising the status of peasants.

The Hutterite communities which started in Europe in the 17th century, and some of which moved to North America in 1874, are based on a rigid, religious creed. They are shown to be stable but exclusive and not expanding. Second in the list are various relief settlements under the Farm Security Administration of the U.S.A. These were subsequently dissolved. Next is the Ejido system which has been successful in relieving the want and raising the status of a depressed Mexican peasantry. The fourth type considered is the Russian Kholkoz, described by Stalin as a compromise in that, while it communised the peasants' land in order to bring the benefits of large-scale production, yet each family is allowed to retain an acre or two for home use; payments are according to amount and quality of work done for the community. The discussion then moves to the Palestine Kvutza in which communal life reaches its ultimate expression, the individual having no property whatever and living a communal existence in which the family has little or no part. The Palestinian Small Holders Settlement, where the family is the basis of occupation, and property rights are acquired are compared unfavourably but not exhaustively with the Kvutza. Finally, the Jewish Settlements in Argentine and Dominica are briefly reviewed.

The final chapters attempt a short general discussion on various types of co-operative communities as means by which the problem of surplus populations could be solved. This discussion leads to a rough plan which might be followed for this purpose.

In the author's mind the Kvutza stands out above the other systems, among which the Hutterite is the best. The latter fails to stand the test of time in that it has not expanded. The Ejido has so far been highly successful for its purpose.

The book fails to be a satisfactory study of the problem because the author, when assessing success, does not allow for the external forces which have been responsible for the start of each scheme and for the attitude of mind of the participants. These movements make progress when men are desperate because of racial or religious persecution (Jews and Hutterites), or because of extreme economic depression (the F.S.A. schemes, and the Ejido). The Kholkoz really had no alternative after their severe experience of enforced starvation in the 1920's, which, incidentally, scarcely gets a mention. Surely the attitude of mind of the members is the supreme factor in deciding whether a scheme continues or ceases. It is a moot point whether the Kvutza would continue to be successful if they were not stimulated by all the reawakened religious fervour of the Zionist movement on the one hand, and by the great persecution of Central Europe on the other. Even with these spurs towards success, there has been a turnover of 14 per cent. of individuals in the more recently formed groups, and 6 per cent. in the older.

For the Australian reader there are three minor points of some special interest. The first is a quotation on page 114 to the effect that in Australia in 1943 "the Federal Government to emulate 'the Soviet scheme of collective farming in certain of its aspects.'" This is said to have come from "Australian News and Information Bureau Bulletin of June 6th, 1943," a document of which I was unable

to obtain a copy. The idea was apparently carried further, as on page 174 the New York Times of 9th July, 1943, is said to have further reported that "Collective farms on the Soviet model are among the new projects to increase Australian food production, described by William J. Scully, Australian Minister of Commerce." I am confident this would have been news to most Australians in 1943, and would still be news today.

The second point of interest is that land settlement, even under the Kvutza, requires considerable capital expenditure on much of which only low interest rates can be paid, at least in the early years.

Thirdly, although the agricultural particulars of the various schemes are only sketched in with the lightest of detail it seems fairly clear that economic success is only possible where Kvutza can be self-supporting in most of their food requirements, and where the balance can be sold on local markets. Such a scheme however successful under these circumstances would be no solution of land settlement problems in those vast areas of Australia where irrigation can never be applied, and where the climate rules out self-sufficiency for the farm family over long periods in each year.

—S. M. Wadham.

**THE CHINESE IN MALAYA.** By Victor Purcell. 1948. (Geoffrey Cumberlege, Oxford University Press, London, pp. 327 + xvi).

In this admirable study of the Chinese in Malaya Dr. Purcell combines the results of extensive research into the history of the area with personal observations based on twenty-five years' experience in the Malayan Civil Service. His work brought him into close contact with the Chinese community as Protector of the Chinese, Assistant Director of Education (Chinese) and, recently, as Principal Adviser on Chinese Affairs to the British Military Administration. His close official association with the two and a half million Chinese in Malaya has enabled him to marshal a wide variety of material hitherto not available, but it may also account for the tendency, which appears from time to time in his work, to treat the Malayan problem as a Chinese problem rather than one of three divergent racial groups. The key to his argument appears in his concluding sentences: ". . . for better or for worse Malaya has ceased for ever to be purely Malay; it is a plural society, and the race predominant in industry and commerce, in initiative and in industry, in capital and in labour, in economics and in politics, is the Chinese. The Chinese in Malaya have come to stay." (p. 292).

Dr. Purcell divides his work into three parts. The first, which is concerned with the coming of the Chinese to Malaya, traces the contacts of the Chinese with the area from the first exchange of envoys between Malacca and the emperor of China in the early fifteenth century to the great influx of the late nineteenth century, which followed upon the opening of Malaya to commercial development. The writer stresses the characteristic resourcefulness which the Chinese displayed in engaging in a wide range of occupations.

Part II of the work is devoted to special aspects of Chinese settlement in Malaya, and Dr. Purcell is probably at his best in analysing such questions as Chinese religion, secret societies, education and social relationships. To the study of these he brings a deep penetration into Chinese attitudes together with a facility for weaving colourful and descriptive detail into his analysis. Of particular interest is his account of Anglo-Chinese relationships. British policy was at first one of

non-interference in Chinese affairs and the management of purely Chinese matters was left to Chinese headmen. The incompatibility of certain Chinese customs with British ideas of law and order combined with the terrorism and oppression practised by the secret societies to bring about a change in policy and the substitution of direct control of Chinese affairs for laissez-faire methods. The Chinese Protectorate, established in 1877 to curb the feuds between rival secret societies, gradually expanded its functions to include the regulation of social life, especially in such matters as gambling, opium-smoking and the traffic in women and girls, which the disparate sex ratio rendered extensive. The absorption of the energies formerly expended in secret societies into local branches of the Kuomintang and Chinese Communist Party led to further interference in the direction of control of political activities. From the long range viewpoint, the significance of this control of Chinese affairs lies not in the actual measures and machinery adopted, which Dr. Purcell lucidly explains, but in the conception of the problem. Chinese were treated as a separate community, requiring treatment different from that of Malays and Indians. The growing administrative gulf between Chinese and Malays accentuated the deep cultural cleavage between the two peoples, which the attachment of the Malayan Chinese to the politics of their homeland rather than to Malaya did nothing to bridge. Despite a growing official awareness of the dangers in this policy, no change in the administration of Chinese affairs had been effected by 1941, and the Chinese, by that time surpassing the Malays in numbers as well as in wealth, "readily accepted a framework of government whilst stubbornly refusing to cease to act and think as Chinese." (p. 290).

A more penetrating analysis of Chinese labour associations before 1942 would have been a valuable addition to the work. Dr. Purcell suggests that such organisations were emerging with strong political affiliations, particularly with the illegal Malayan Communist Party, and that government policy aimed at confining labour activities to non-political issues. In his conclusion he declares that "more important than any political party is Chinese labour" (p. 291). While this may be intended to apply only to the more vigorous associations of the post-war period, a more thorough examination of the trends which were emerging before 1941 appears necessary.

Part III of the work deals with developments between 1939 and 1946 and is more limited in its material than the preceding sections. Emphasising the sufferings of the Chinese at the hands of the Japanese, Dr. Purcell describes the formation of the Anti-Japanese People's Army by the Malayan Communist Party, the subsequent disbandment of the guerilla armies and the re-emergence of the Chinese political parties. The recent outbreak of Communist terrorism more than confirms his prediction that, despite an initial loss of popularity on the part of Communist revolutionaries, "henceforth they would be working underground more than they had since the liberation of Malaya." (p. 275).

Written before the constitutional issues had been decided by the establishment of the Federation of Malaya, Dr. Purcell's account of Chinese reactions to the constitutional proposals merely touches the fringe of the problem. The reviewer feels that his treatment of the place of the Chinese in the political settlement of Malaya is disappointing. Accepting the official viewpoint, he reaches the conclusion that, "the only solution of Malaya's problems is the unity in a common citizenship, independent of race, of all who claim Malaya as their homeland," (p. 292), and that while the British administration may provide for the creation of a common citizenship, "its conversion into a living and just reality" must depend on the readiness of Chinese, Malays and Indians to place their common interests in a united Malaya before group and racial loyalties. So far as the Chinese

are concerned, Dr. Purcell believes that this can come about only through the emergence of an educated middle class "with a sense of being 'Malayan' without any loss of the sense of being Chinese in its implication of a cultural heritage." (p. 291). Without questioning the desirability of such a solution, it is nevertheless difficult to reconcile the author's easy acceptance of common citizenship as the remedy for social cleavages with his emphasis on the strength of Chinese attachments to the Chinese way of life and Chinese political groupings. But his dilemma is simply a reflection of the position of the British administration. In the past, the idea of the Chinese Protectorate combined with the outlook of Chinese immigrants to make the Chinese in Malaya a community apart. Policy has now changed, and Chinese who make Malaya their permanent home together with Malays are to sink racial attachments in a sense of common loyalty to Malaya. Despite his acceptance of common citizenship as the desirable solution, Dr. Purcell's account of the attitudes of the Chinese before 1941 implies that such a solution will not be easily attained.

In this connection an analysis of relationships between Chinese and Malays would have been useful, but Dr. Purcell has curiously little to say on the subject. So long as the Malays remained politically inarticulate, social harmony prevailed between the races, but other observers have suggested that this concealed strong rivalries. It is scarcely possible to attribute solely to Japan's policy of playing one race off against the other the racial tensions which have come to the surface in the post-war period.

The above comments by no means reflect upon the soundness of the work as an historical account of the Chinese community in Malaya. The writer has given us much fascinating material about Chinese customs and well conveys the complexities of Chinese society. His examination of the development of British policy is an invaluable background for an assessment of the contemporary situation in Malaya. This is an essential book for all students of the disturbed conditions of South East Asia.

—Marjorie G. Jacobs.

THE BRITISH COMMONWEALTH AND INTERNATIONAL SECURITY  
THE ROLE OF THE DOMINIONS, 1919-1939. By Gwendolen Carter.  
Issued under the auspices of the Canadian Institute of International Affairs.  
Ryerson Press, Toronto, pp. xx + 326).

The inter-war period is one of peculiar interest of British Commonwealth relations because two important international experiments were being attempted. The war of 1914-18 had led to a preoccupation with the problem of international security. The British Commonwealth was in process of rapid evolution from an aggregate of colonies dependent upon British sea power and financial strength for relative security, to a partnership of nation states claiming the right of sharing responsibility in the fields of defence and foreign policy in an era of a changed power balance. The Imperial Conference of 1921 resolved "that the whole weight of the Empire should be concentrated behind a united understanding and common action in foreign affairs;" a unitary "foreign policy of the empire," formulated after consultation, would be announced by the British Foreign Office. On the other hand, the launching of the League of Nations with active Dominions collaboration and support offered an alternative method of achieving security. How far was it possible for the two schemes to function simultaneously? How far was there rivalry between the two concepts of security?

The major difficulty in the way of formulating a unitary foreign policy for the Commonwealth was the fact of geographical separation which meant varying degrees of physical isolation and of insecurity. Britain as a major power has been concerned largely with problems of European security and the Dominions have been increasingly reluctant to be drawn into European affairs. From Locarno to the Anglo-Rumanian guarantee in 1939 this was increasingly clear; the Dominions were anxious for a middle of the road policy and appear to have exercised a moderating influence that was perhaps neither strategically nor diplomatically desirable. It was, however, over "imperial rather than European policies that divergence in interests became evident within the Commonwealth" (p. 82) and that the conception of an indivisible British Empire foreign policy tended to break down. Australia and New Zealand were concerned "to a degree almost incomprehensible to Canadians with the issues of Egypt, the regime at the Straits and the Near East in general," because of the importance of Suez and the Mediterranean to imperial communications. Isolationism was most pronounced in South Africa and amongst the French Canadians, although Mr. Mackenzie King's isolationist bark was worse than his bite and was often intended for home consumption.

Dominions attitude to the League of Nations was compounded of a support for "a league of peace and not war" and a reliance primarily upon the British Commonwealth security. There was little Dominion support for the South African separatists who hoped to substitute the League for the British connection: most agreed with Smuts that the Commonwealth would form an "inner league" which would provide an essential core to the international League of Nations. The League provided "international recognition and a platform for the public expression of their views." It was no substitute for the Commonwealth, and they "tended to interpret the League's function in security negatively rather than positively, security against war rather than in war" (p. 100). Canadian support for the League was always tempered by a Micawber-like hope that something might turn up from the United States. The action of Eire, Canada and South Africa over sanctions against Italy and Spain revealed clearly the difficulties of co-ordinating Commonwealth policy in face of the interplay of religious, racial and geographical factors. As the difficulties in the way of an effective League became evident, most of the Dominions were unwilling to commit themselves to active resistance to aggression. Notable exceptions were South Africa and New Zealand. Mr. te Water bitingly recalled the lofty protestations of the great powers over Abyssinia, yet "fifty nations, led by three of the most powerful nations of the world, are about to declare their powerlessness to protect the weakest in their midst from destruction." (p. 242). New Zealand alone consistently supported the Covenant "as the minimum of any real system of international co-operation to secure peace" p. 290): not only economic sanctions under Article 16 but "we are prepared to the extent of our power to join in the collective application of force against any future aggressor." (p. 258). "If the League fails, it will be the failure of Governments."

Dr. Carter has skilfully presented the twofold problem facing the Dominions during the period and has shown clearly their differing viewpoints on major issues of policy. There is little evidence of basic shifts in policy: the nearest illustration is perhaps Canada's influence at the Washington Conference when she succeeded in securing the abandonment of the Anglo-Japanese alliance and the adoption of partial naval disarmament (The American proposals "sank in five minutes more ships than all the admirals of the world have destroyed in a cycle of centuries"). Despite apathy, isolationism and some suspicion of "British

"imperialism," the Dominions were prepared in the last analysis to support Great Britain for reasons of security and sentiment alike in 1939. With Britain they must share responsibility for the Munich appeasement and for the wide gulf between international utterances and national policy which helped to cause the collapse of the League of Nations.

Dr. Carter's well documented and scholarly work is an important contribution to the study of British Commonwealth relations; one would like to have seen a clearer analysis of the relationship between developing imperial theory and actual Commonwealth practice.

—N. D. Harper.

**OLD CHINA HANDS AND THE FOREIGN OFFICE.** By Nathan A. Pelcovits. 1948. (King's Crown Press under the auspices of the American Institute of Pacific Relations, New York, pp. xiv + 349, one map).

This is an important work of scholarship. Its author, Nathan A. Pelcovits, has presented a significant new hypothesis concerning British policy towards China from the Tientsin Treaty to about the close of the nineteenth century. Although the subject is not strictly within the purview of this journal, the book is worthy of review here because of the degree of re-interpretation affecting contemporary international affairs that it suggests.

Briefly, Mr. Pelcovits has found reason to attack the accepted theory that Britain's China policy during his period was shaped primarily by the pressure of the English business world in China. Whether, despite the work of T. W. Overlach, J. O. P. Bland and P. Joseph, the theory is as generally accepted as Mr. Pelcovits believes is not quite certain. But that the general balance of scholarly opinion has accepted the view that, because Britain's sole interest in China was commercial, therefore its policy followed commercial pressures, is probably true.

Mr. Pelcovits contends that the British Government consistently refused to follow the path suggested by the Old China Hands, which would have involved political intervention in China to the points of war or sovereignty. The Foreign Office, Mr. Pelcovits suggests, was convinced by the Board of Trade that the China trade would never be worth the expense, and the risks and dangers, of making China "another India." Therefore, for over half a century there existed a clash between mercantile and official attitudes on British policy towards China. The most that the pressure of commercial interests accomplished after the Treaty of Tientsin was the adoption of a British policy of working for reforms in Chinese government and of ensuring that British interests were well represented in the Battle for Concessions.

It is significant that Mr. Pelcovits's research has been conducted, not only in official and diplomatic records, but also in mercantile sources. He has used all the documents employed by his predecessors and in addition has obtained access to a vast quantity of commercial papers, where the nature of mercantile interests is clearly revealed.

There can be little opportunity in Australia of assessing the validity of this book's conclusions in any systematic way. Plainly, it is a work of scholarship based on a wider range of sources than has been customary in previous studies impinging on the subject. Further, the interpretation suggested by Mr. Pelcovits is well in line with the conclusions reached by students of British policy in Africa and the Pacific Islands. Once again there is need for re-interpretation in terms of the unwillingness of British Governments to extend the commitments of Empire.

—John M. Ward.

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POST-WAR GOVERNMENTS OF THE FAR EAST. Edited by Taylor Cole and John H. Hallowell. 1947. (Reprinted from the *Journal of Politics*, ed. Taylor Cole, Vol. 9, No. 4, pp. 473-744).

This volume of articles reprinted from the *Journal of Politics* presents a useful summary of government and politics in the Far East since the end of the war. An introductory chapter by Professor Paul H. Clyde on the dominant ideas and political trends in the Far East is followed by chapters on China, Japan, the Soviet Far East, Korea, the East Indies, India, British South-East Asia, the Philippines and French Indo-China.

No review of detail is possible here, but one or two general comments seem to be justified. First, the treatment accorded to Japan is totally inadequate in comparison with the lengthy treatment accorded to China. A single chapter by John W. Masland on the post-war government and politics of Japan, although it is a contribution of merit, is out of all proportion with the three chapters on China. Second, there is a lack of uniformity in the type of matter discussed, especially the degree of attention given to long-term economic and social factors.

The usefulness of the articles in the reprinted form cannot be questioned. Within the limits of space and subject to the comments just made, they are all compact statements of fact, providing up-to-date accounts of present trends in politics and government.

—John M. Ward.

THE BRITISH YEAR BOOK OF INTERNATIONAL LAW, 1946, Vol. XXIII

—Issued under the auspices of the Royal Institute of International Affairs. (Geoffrey Cumberlege, Oxford University Press).

The present review is confined to the leading articles in this latest volume of the British Year Book of International Law. The two outstanding articles are Mr. R. Y. Jennings's contribution, "Government in Commission," and Mr. A. B. Lyons's discussion of the "Conclusiveness of the Foreign Office Certificate." The former is a very penetrating analysis of the juridical basis of the Allied Government of Germany, and throws much light on the legal aspects of a somewhat obscure political situation. The article was of course written long before the events which have culminated in the recent Berlin "crisis," and makes interesting reading against the background of these events. The writer's three main conclusions are that the "German State" has continued to exist, that a state of "technical war" subsists between Great Britain and this "German State," and that the Allied occupation is not a belligerent occupation within the meaning of the Hague Regulations. He lays great stress on the continued existence of the German State (at pp. 120 et seq.), and criticises as a mistake the assumption that the Allies have in fact vested themselves with full sovereignty over Germany in the ordinary sense of that term. He fully examines the importance of the Allied occupation from the standpoint of international law, reaching the tentative conclusion that it involves a new legal technique of international control, based on a more developed international attitude towards the future of a subjugated enemy State.

The wisdom of the article is shown particularly in the writer's very prophetic comments at the end:—

"The success or failure of the experiment is a matter which still lies in the

future. Events are moving rapidly and there may be radical changes both in the structure and in the policy of the occupation."

These "radical changes" seem now to have been achieved.

Mr. Lyons's article is a most thorough treatment of its subject. Since the "*Arantzazu Mendi*" (1939) A.C. 256, the exact scope of the Foreign Office Certificate as a piece of evidentiary machinery for proving, for the convenience of British Courts, matters of recognition, statehood, the independence of States or Heads of States, diplomatic status, etc., has been obscured by the unfavourable comments of experts on the Certificate in that case, and the manner in which the House of Lords interpreted that Certificate. At times there has been undue deference shown by the Courts to the Foreign Office Certificate, and in a crucial case involving the status or property of a British subject, Judges might yet feel constrained to depart from the traditional attitude. In his discussion of *The Charkieb* (1873) L.R. 4 Adm. and Ecc. 59, a decision of the learned Sir Robert Phillimore, Mr. Lyons reminds us that British Courts have been able to obtain materials for deciding issues of statehood, sovereignty, etc., without necessarily relying solely on the Foreign Office. The article is a veritable *répertoire* of case law, and will be consulted in the future by all who have to advise on similar problems.

As regards the remaining leading articles, there is an excellent and interesting article by Mr. M. E. Bathurst on "Recognition of American Divorce and Nullity Decrees." Many local practitioners have had experience of the type of problem discussed by Mr. Bathurst, namely decrees obtained by the American ex-servicemen husbands of British subjects. It is curious to learn that this problem has arisen also in the case of decrees obtained by the American wives of British seamen and British officials married in the United States, where they were temporarily stationed or obliged to remain under the unusual exigencies of the last War.

The United Nations Charter is the subject of three leading articles. In "The Interpretation of the Charter of the United Nations," a writer of the pen-name of "Pollux" deals very thoroughly and acutely with his topic. The present reviewer however is puzzled by "Pollux's" statement that the absence in the Charter of an express right of withdrawal by Members of the United Nations was "due to ideological motives." Professor B. A. Wortley's contribution "The Veto and the Security Provisions of the Charter" should be read by all students of international affairs. In the third of these articles on the Charter, "The Covenant and the Charter," Professor J. L. Brierly lucidly skims the surface of a wide and controversial subject.

The remaining five leading articles are of a most varied character. Professor Lauterpacht discusses the influence of Grotius in "The Grotian Tradition in International Law," Dr. A. H. Robertson examines several significant legal aspects of U.N.R.R.A. in "Some Legal Problems of the U.N.R.R.A.," Dr. Egon Schwelb writes on "Crimes Against Humanity," Dr. H. A. Smith discusses "Booty of War," and finally Mr. S. W. D. Rowson has an article on "Italian Prize Law, 1940-3."

—J. G. Starke.

**RICHER BY ASIA.** By Edmond Taylor. 1948. (Secker & Warburg Ltd., London, pp. 432).

This book should be read and will be re-read. In 1942, the author, known

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for his analysis of psychological warfare "The Strategy of Terror," was posted to India. There he later became Commanding Officer of all the activities of the Office of Strategic Services in India and South-East Asia.

Physically, he saw much of India and visited Siam, Indo-China and Java. So did thousands of other English-speaking men. But the mind of Edmond Taylor, civilised, individual, reflecting Occidental values, reacted strongly to Oriental values. His heart became involved in what started as a flirtation with another culture. Yet, through it all he retained his objectivity of outlook, illuminated by a delicious irony.

Many students of international affairs have probably thrown up their hands over the problem of understanding the Indian outlook. While Edmond Taylor would be first to disclaim complete success, he considerably reduces the margin of misunderstanding. He confesses his earlier failure to realise the importance of Asia in world affairs, but he more than makes amends.

The author's experience enheartens others who are struggling with the paradoxical feat of being enthusiastic about an objective approach to international relations, or to put it another way, getting excited about not getting excited.

His contact with Oriental values stimulated and aroused a keen and well-furnished mind. The author analyses the pathology of Imperialism without anti-British bias; he sketches vivid portraits of Gandhi, Stilwell and Mountbatten. Of the revolutions of Asia, he stresses that they are primarily struggles for human dignity, struggles to win the fifth freedom, Freedom from Contempt. He squarely faces the implications of "one world." Among the most important is the fact that the western democratic type of world does not appeal to the majority of the tribe of man. He urges us to face the problems of fitting the technological backwardness of Asia and the political backwardness of Russia into the unity of one world.

The solution he offers is based upon the Gandhian concept of soul force, which has already totally refashioned the personalities of millions of Indians. Do not think that the author suggests that we should all become chaste, non-violent and vegetarians. He maintains that the techniques based upon this principle are probably more effective than any techniques of mass influence that have been developed in our day. It is a contemporary example of the manner in which soul-force has operated throughout the ages, in the Rome of Nero as in the Russia of 1917. The West has its pacifists and planners of peace, but their idealism does not burn like fire.

There have never been times like ours before, and there are not likely to be again. By the very nature of the problem of survival confronting us a new duty is laid upon us, that of being effective in action. "One never knows, but if one thinks unity day and night, one is less likely to go wrong than otherwise, for unity is the key to man's survival."

All who are interested in survival, in the complementary roles of East and West, in new psychological and cultural landfalls, or even in the pleasure of reading English well used, will be richer by Edmund Taylor's experience.

—George Caiger.

## Institute Notes

It is too early for a full report of the meeting of the Commonwealth Council on August 28th, but certain items deserve attention.

It is not always easy to obtain good speakers. This bears most hardly on the smaller branches. One way of overcoming this difficulty is the reading and discussion of reports of addresses at Chatham House. Representatives of the smaller branches were enthusiastic about this co-operation. It will be fostered. Another problem is that those trained in research usually have their time pre-empted.

As a result of the Australian way of development by States, the Institute has not yet developed a strong feeling of corporate purpose, of a common aim. Yet, on the positive side, the Institute, with its nation-wide organisation, is most favourably placed to make a contribution to the study of international affairs.

It has been decided that the British Commonwealth Relations Conference will be held in Canada in September 1949. It will "survey the position of Member Nations of the Commonwealth in the post-war world, and consider the changes that may be required in their policies and the contribution they can make to world order and progress."

The Commonwealth Research Committee has mapped out a scheme which will enable delegates to put the Australian viewpoint. Details will be forwarded to the Branch Secretaries in due course.

Studies on several other subjects would provide a real contribution to better understanding.

1. A survey of existing facilities for the teaching and study of International Affairs in Australia.

This would include the syllabus, hours of study, recommended reading matter, etc., in the schools, public and private, instruction and research at the Universities, official and voluntary organisations, in each State. A chapter on the part played by wireless, both national and commercial stations, could be done in Sydney. A factual survey of this nature would be valuable in enabling us to see what the position is, and would inform similar bodies in other countries. As much material is available in the form of printed syllabuses, this survey could quickly be done by the appointment of a small group in each Branch.

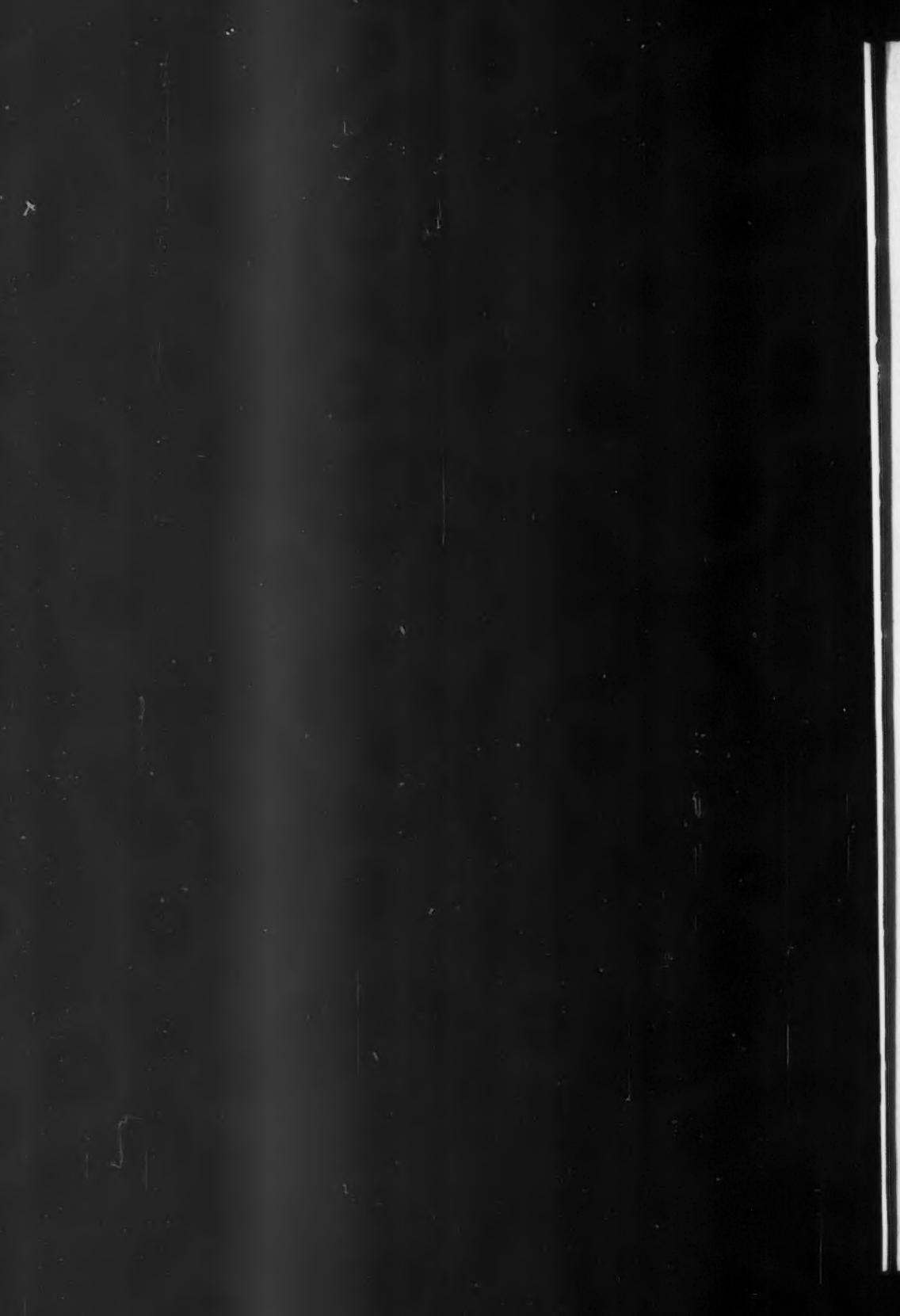
2. "The effect of occupation duty in Japan on Australian troops."
3. "The reaction of Australian Prisoners of War to the peoples of Asia."
4. "White Australia, the position in 1948."

These are living and important issues. A similar approach could be adopted for each of these subjects. Two or three well-known local people could be invited to address a meeting for, say, twenty minutes each. They need not necessarily be members. Other non-members, interested or experienced in the particular subject, could be invited. On this occasion, a stenographic record should be kept. Discussion will follow. A discussion group could note the lines raised and further develop them. Written comments from non-members could be obtained. If the reports by these discussion groups were collated by the General Secretary, they should reflect a cross-section of Australian opinion.

Such activities would help to overcome the shortage of speakers and of people trained in research. They would attract the interest of non-members. They would give a corporate purpose. They would show that we are aware of some of Australia's problems in the international sphere. If well done and published, they might well influence the speed and direction of Australian thought.

—George Caiger.





# PUBLICATIONS AVAILABLE.

The following publications may be obtained on application to the Australian Institute of International Affairs, 369 George Street, Sydney. They are available to Institute members at lower rates than those quoted below.

## AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS.

JAPAN—ENEMY OR ALLY?—by W. Macmahon Ball	10	0
NEW HORIZONS. A study of Australian-Indian Relations, by Bertram Stevens	10	6
RUSSIAN A TO Z—by H. A. Freund	17	6

### Australia in a New World Series.

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2. Fact and Fiction in Japanese Imperialism. A. H. McDonald	6
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